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Department of Political Science

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Supervisor: Magnus Jerneck

# The European Union Strategy for the Baltic Sea Region

–The reluctant leadership of the European Commission

Hanna Asp

## Abstract

The European Union Strategy for the Baltic Sea Region was launched in 2009 after an extensive and inclusive consultation process lead by the European Commission; however, during the implementation phase un-clarities in its leadership responsibilities emerged.

The thesis adopts a case study design with the aim of examining the EUSBSR leadership structure, more precisely the European Commission's leadership role and how they handle and consider this role. Theoretical conceptualization is achieved by linking theories of leadership with the 'path dependency' theory in a framework for identifying the complex structures and leadership "issues" within which the European Commission upholds its leadership role.

The main findings include that the European Commission as an institutional entrepreneur in the development of the EUSBSR and that, in the implementation phase of the EUSBSR their leadership role has been developed path dependently. The thesis concludes that more research on leadership of macro-regional strategies is required and emphasizes the benefits of linking leadership and 'path dependency' concepts.

*Keywords:* European Union, Baltic Sea Region, EUSBSR, European Commission, leadership, institutional entrepreneur, path dependency.

Words: 18 587

## **LIST OF ABBREVIATIONS**

BSR	Baltic Sea Region
CBSS	Council of Baltic Sea States
DG	Directorate General
DG Regio	Directorate General for Regional Policy
EU	European Union
EUSBSR	European Union Strategy for the Baltic Sea Region
EUSDR	European Union Strategy for the Danube Region
HELCOM	Helsinki Commission
HAL	Horizontal Action Leader
HLG	High Level Group
MEP	Members of the European Parliament
MS	Member States
ND	Northern Dimension
NCP	National Contact Point
PA	Priority Area
PAC	Priority Area Coordinator

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# 1. INTRODUCTION

In December 2007 the European Council called upon the European Commission to initiate the work on a Strategy for the Baltic Sea Region. The task was delegated to DG Regio, the EU Directorate for Regional and Urban Policy, with a request to develop the first macro-regional strategy. The deadline was set in June 2009. In this process the Commission gained substantial input for the direction and structure of the strategy, in turn yielding increased legitimacy for the European Union Strategy for the Baltic Sea Region (EUSBSR) by the member countries: Denmark, Sweden, Finland, Poland, Germany, Latvia, Lithuania and Estonia.

The birth of the EUSBSR can be traced to European Council conclusions in December 2007, which called for a rapid response to the urgent environmental challenge in the Baltic Sea (Metzger and Schmitt 2011:271). The environmental issue was the starting point, however, due to the density and character of the institutional map of the Baltic the Strategy got a wider scope in order to attract a wider range of these organizations.

Parallel to the process at of development of the Strategy, Sweden was preparing for the Presidency starting in June 2009 and as one of its main priorities to get the strategy adopted during its Presidency, see for instance the Presidency work program (Swedish Government 2009) and speeches by Prime Minister Fredrik Reinfeldt and Minister for EU Affairs Cecilia Malmström (Reinfeldt 2009, Malmström 2009 in Bengtsson 2009:2). As part of this work a national specialist was sent to the DG Regio team to work with the development of the strategy. By June 2009 the European Union Strategy for the Baltic Sea Region was endorsed and the aim was accomplished, according to the schedule.

Since the leadership role of the European Commission is the selected area of study, there is a need to give an account of that role and the responsibilities. The role, which has been placed on the Commission, grants 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 cooperation with other Commission services, is responsible for the general coordination, monitoring and reporting to the European Council (European Commission 2013).

## 1.1 Leadership complexities in EU's Strategy for the Baltic Sea Region

A relevant part of the European Union Strategy for the Baltic Sea Region (EUSBSR) is its leadership. At this point it is therefore important to clarify why the Commission is referred to as the leader when the individual Member States are responsible for the EUSBSR implementation and to do the real job. That complex leadership structure of the EUSBSR needs to be explained and clarified in this section.

Initially, the request from the European Council to the European Commission implied only development of the Strategy, however, at a later stage they were expected to take a more overall responsibility for the leading of the Strategy; in the implementation they ended up with a greater responsibility than expected. Since February 2013 the roles and responsibilities of the stakeholders are formally adopted and regulated in the newly revised Action Plan (European Commission 2013), nevertheless, the Commission upholds a greater responsibility in practice. From their perspective, they are not the leaders and are only taking enhanced responsibility when some Member State does not do its job properly; it should not even be an issue if the Member States were taking the adequate responsibility regulated in the Action Plan (European Commission 2013).

It seems like there was a need for an overarching responsibility after the adoption of the strategy. That is a possible reason why the Commission ended up in that position. Considering the transformation from the development of the Strategy to the implementation, adding 'the three no's', the expectation that it would all have been done by itself is rather surprising. Metzger and Schmidt (2011:273) give their explanation:

"What appears to have occurred is that the development and adoption of the Strategy has created a demand for the installation of new modes of governance in order, literally, to 'fill' the organizational and institutional vacuum which has emerged as a result of the singularization of the region in one clearly formulated and aligned version accepted by a multitude of engaged actors, who now appear to see it as the responsibility of the emerging designated regional spokesperson (the Commission) to secure the stability and further integration of the solidifying spatial entity which is emerging as an outcome of the process".

This is a leadership role that the Commission wants to leave without an answer to the question of who should take over since there is a need for an actor or a leadership structure with high level of trust and an ability to take responsibility for the Baltic Sea Region as a whole.

Since the Strategy was built on 'the three no's' principle: no new funding, no new legislation and no new institutions (Bengtsson 2009), but seeks to better coordinate and make more efficient use of resources already allocated in various areas and projects, it implies that the Commission will work with a whole array of governmental and non-governmental actors. In other words, occupy a very influential, but complex position. This serves as an introduction to complex structures within which Commission needs to navigate. In other words, these leadership dilemmas of the Commission, within the European Union Strategy for the Baltic Sea Region, are the selected area of study.

## 1.2 Purpose and research question

Researching the Baltic Sea Strategy and communicating to stakeholders I came across a structural problem concerning the management of the strategy. The contradiction implied that the Commission, in practice, has an overall responsibility for the steering and leading of the strategy, however, formally this is not their responsibility. Since the research question should reflect something interesting and puzzling with the European Union Strategy for the Baltic Sea Region (EUSBSR), the leadership role that the Commission's is trapped into is suitable case. Subsequently the research question will be based on this contradiction.

More precisely, the purpose of this study is to examine the leadership role of the Commission in the development of the Strategy as well as in the later implementation phase. In the development phase I will give an account of the Commission as an 'entrepreneurial leader'. Nevertheless, once EUSBSR was completed the Commission was expected to shoulder greater leadership responsibilities. This change marks the entering into phase and role of the Commission which is more problematic and complex. In this thesis the role and perspective of the Commission is central, therefore the research questions are based on their accounts. To examine why or how the Commission ended up with its present responsibilities is less interesting; the implications of this leadership is central. Secondly, Commission's

approach towards this responsibility in terms of how they consider and handle that role in the development, as well as, in the implementation phase.

The research questions are:

1. *What leadership role is upheld by the European Commission in the European Union Strategy for the Baltic Sea Region?*
2. *How does the European Commission consider and handle its leadership role in the European Union Strategy for the Baltic Sea Region?*

The Commission's consideration and handling of the leadership role is central because it may say something about the cooperation as a whole, the problems it is facing and raise some questions about the future of the strategy. The Commission would like to pass on the responsibility and there is a lack of interest from the stakeholders to take a greater leadership role, except during their Presidencies. It is of great interest to examine the Commission's approach in this search for possible leadership solutions of the EUSBSR; are they ready to leave its role directly or are they taking or actively searching for a solution before they step back?

### 1.3 Previous research

The purpose of this thesis is to study an area of the EUSBSR which has so far only briefly been covered, namely the leadership. A number of studies have been conducted on the initiation of the European Union Strategy for the Baltic Sea Region as well as on the development of the Macro-regional strategies using the EUSBSR as a case and these are central areas of study which I need to relate to.

### 1.3.1 Relevance and contribution of this thesis

It becomes clear that previous research on the EUSBSR in particular focuses on the aim of the strategy and its potential success or failure. Naturally, since EUSBSR was adopted in 2009, however, there must be more to add concerning the added value of the Strategy. Although parts of previous research touch upon the divisions of power, there seems to be a lack of deeper consideration of the leadership aspects of the European Union Strategy for the Baltic Sea Region. Here the study of leadership of EUSBSR seems particularly relevant. Underdal states that some traditions within leadership studies are concerned primarily with the instrumental mode of leadership than with capabilities and structures. The challenge is then, to transpose and integrate findings and propositions from other settings and different traditions of research into a comprehensive framework (Underdal 1994:194). In this case, the comprehensive framework have been applied to leadership analysis of the EUSBSR

Finally, the thesis should be considered as an attempt to further the (limited) leadership analysis within the EUSBSR building on previous research and thus hoping to make a valuable contribution to this field.

## 1.4 Disposition

The first chapter has framed the research problem and presented the aim and the questions that will be pursued in this thesis. In the second chapter the main theories of leadership and 'path dependency' are put forward together with a theoretical framework linking the two concepts. The operationalization of the theoretical concepts that will be utilized in the analysis is as well presented in this section. The following third chapter consist of the methodological approach and the material that will be used.

Chapter four outlines the leadership structures of the EUSBSR in order to serve as an introduction to the complexities of the cooperation while chapter five constitutes the answers to the first research question of the thesis. The sixth chapter presents some answers to the second research question, namely, how the Commission consider and handle its leadership role within the EUSBSR while in chapter seven the political prestige and commitment of the EUSBSR is analyzed. The eighth and final chapter will present the conclusions of the

analysis, by answering the research questions of European Commission's leadership role and their approach towards this role. In addition it will also present some reflections concerning the theoretical approach and its usefulness in relation to the research aim.

## 2. THEORETICAL AND ANALYTICAL FRAMEWORK

The purpose of this chapter is to introduce the analytical framework which will be employed for the analysis. This chapter will be divided in sub-sections. To begin with, leadership theory and the concept of an institutional entrepreneur will be presented and briefly related to its applications on the EUSBSR. I will then move on to give an overview of ‘path dependency’ and institutional development as well as indications on for what reasons this theory is applicable on the EU Strategy for the Baltic Sea Region. Finally, I will explain how these theories will serve as a framework for the analysis of the EUSBSR, first macro-regional strategy.

### 2.1 Leadership theory

In order to examine the role of the leadership in the EUSBSR leadership theory will be the analytical tool. The applied definition: “leadership is defined to mean broadly any action by one actor to guide the behavior of others towards a certain goal” (Underdal 1994:178). That is the definition of leadership which that later analysis will be based on.

Studies of leadership have by large paid more attention to the supply side than to the demand for leadership services. For one thing, leaders tend to be more fascinating objects of study than followers. Therefore the previous definition will be completed with the following: “leadership is a relationship between leader and followers. The strength of this relationship may be seen as a function of the supply of and the demand for leadership services...the followers are prepared to let themselves be led only in a particular direction and perhaps only in a certain fashion” (Underdal 1994:181-3). This indicates a conditional interplay; without the demand from the followers there will be no leadership role to uphold. On the other hand, since leadership is a relationship shaped by supply and demand, a missing piece may, as well, be the supply of leadership by the leader. Here the reluctant leader of the EUSBSR enters the stage: European Commission. There is a lack of supply of leadership of the EUSBSR but there is a demand of leadership from the EUSBSR stakeholders. This leadership still exists to some extent but is uphold reluctantly, however, for what reasons will be described at a later point in time. Just as an indication, I will come back to the issue, it is related to the division of

responsibilities within the strategy: the Commission thinks that they need to cover up for things that should be done by the Member States themselves.

Returning to the role of the followers, the stakeholders of the EUSBSR are free to leave the cooperation; it is not legally binding in any sense. For instance, such a reason could be that the common ground, on which the cooperation is based, differs vastly from their perception or if the leadership format or style. It may, however, be politically impossible but that is another thing. Based on this discussion Underdal states that: “the notion of a joint purpose also implies that leadership cannot be based only on coercion, let alone brute force. There must be a platform of shared values, interests, and beliefs and successful leadership builds on and cultivates this platform” (1994:179). In a sense this quote cover well the notion on what the EUSBSR is based; without binding legislation there may even be no coercion or brutal force. The common ground, on which the EUSBSR is based, is that enhanced cooperation is the best way to meet the challenges in the Baltic Sea Region to fulfill the set-up targets in the strategy. Finally, a particular instance of leadership may be confined to one single project, but as defined here it must at least be a fairly consistent pattern of interaction extending throughout a certain period of time where the EUSBSR is applicable. As a conclusion of this section, leadership in this thesis should be understood in line with these definitions presented, the leadership role application in EUSBSR will be further evolved and refined in the analysis.

At this point there are two notes of importance to bring up. To begin with, Underdal’s (1994) definition of leadership is developed and applied in an understanding of intergovernmental negotiations at the EU level, however, in this thesis they will be applicable to the endorsement and implementation of a macro-regional strategy. Due to the open nature of the definitions of leadership it is applicable to a wide range of areas of study, including the analysis of EUSBSR. Secondly, a crucial factor here is who is referred to as leader and since this is the key area of study, which is due to constant negotiations, there may be un-clarities which will be clarified throughout the thesis. Nevertheless, the starting point is that the Commission is the leader. What kind of leader will be developed and seems, additionally, be an issue of continuous negotiations. The Commission as an entrepreneurial leader is something I will come back to shortly.

How can we measure the level of influence of the Commission in the development of EUSBSR? In general, the simplest method is to measure the correlation between the preferences and proposals put forward by the EU institutions and negotiating outcomes. “High levels of correlation would imply that the EU institution had a high level of influence....If a

Commission proposals merely anticipated what a winning coalition of Member States would have accepted anyway, this would clearly not be an example of Commission influence over outcomes” (Beach 2005:12). However, in the case of the EUSBSR negotiations the format is totally different from an Intergovernmental Conference, for instance. Rather, in the EUSBSR, the Commission assembled all the comments from the Member States and put forward a proposal acceptable for all, which was, after minor changes, endorsed. Thus this indicates that we have come across another type of leadership, that will be further developed in in a following section, namely the institutional entrepreneur.

### 2.1.1 The Institutional entrepreneur

Of importance to bear in mind is that since EUSBSR is based on ‘the three no’s, namely, a strategy with nonew budget, legislation or institution. In relation to this, no clear-cut negotiations takes place and no traditional leadership is expected or needed. In addition, the management of the EUSBSR is shared with multi-level stakeholders. All these factors support the notion that the management of the EUSBSR needs to be analyzed in other terms than a clear-cut rational choice institutionalism.

Leadership aiming at securing a more efficient agreement involves agenda-shaping and brokerage tactics to create an agreeable deal, helping the parties overcome bargaining impediments (Tallberg 2003; Young 1991:293-8). In the literature this is termed *entrepreneurial leadership* by Young and *Instrumental leadership* by Underdal (Underdal 1994; Young 1991:293-8). Even though the understanding is the same, for practical reasons, the term entrepreneurial leadership will be used.

What do the entrepreneurial leaders do to help the participants in institutional bargaining processes? For the most part, “they function as (1) agenda setters shaping the form in which issues are presented for consideration at the international level, (2) popularizes drawing attention to the importance of the issues at stake, (3) inventors devising innovative policy options to overcome bargaining impediments, and (4) brokers making deals and lining up support for salient options” (Young 2001:294). This point provides an opening for the various roles the entrepreneurial leaders uphold. In this thesis two different roles, in two different processes, of the Commission will be analyzed: the development of the strategy and the implementation of the strategy. In the development of the Strategy Young’s forth point is

especially applicable, however, during the implementation of the strategy the role is not that easy identifiable.

It becomes a little more complex in the case of entrepreneurs who work for intergovernmental or nongovernmental organizations that are unlikely to emerge as parties to institutional arrangements in their own right, “a fact that heightens the importance of the observation that entrepreneurial leaders are often willing (and sometimes even eager) to take their compensation in intangible currencies such as prestige, political influence in domestic arenas, or progress toward the achievement of some larger personal goal”(Young 2001:297).

## 2.2 Path dependency

Continuing on the selected path will lead to ‘increasing returns’, or positive feedback, which would not be the case if one would change the path and start from the beginning again. Are increasing returns applicable to EUSBSR, its structural issues and the role of the Commission? EUSBSR, including its content and priorities, could be seen as a kind of institutional setting referred to as the selection of one ‘path’. Walking down that path the EUSBSR community realized that there are structural issues that limit the possibility to achieve increased returns, enhanced efficiency and results. In such a position it may be impossible to return and chose a more suitable institutional setting or leadership division, the problems are built into the strategy. Due to increasing returns, you have to continue on the selected path, and it is complicated to change the role of the Commission since it would upset the affected stakeholders. Adding to this picture, we have the Commission as the reluctant leader of the EUSBSR, partly because they do more than their assigned tasks.

In the analysis of the EU Strategy for the Baltic Sea Region the concept of ‘path dependency’ is a helpful framework. It is increasingly common for political scientists to describe political processes as ‘path dependent’ where the patterns of timing and sequence are central. The concept will be applied to the earlier phases of the development of the EUSBSR and the strategy itself is a political project. In other words, we cannot understand a particular political process without understanding “how it got there” – the path it took. In addition, once the Strategy was introduced it would be virtually impossible to reverse by itself due to, for instance, political prestige.

The definition of the concept is not strict and tends to fluctuate between a broader and a narrower conception. In the broader version ‘path dependency’ implies “what happened at an earlier point in time will affect the possible outcomes of a sequence of events occurring at a later point in time” (Sewell 1996:262-3). The general notion of Sewell’s loose definition is that “history matters”, however, lacking an aspect of a process which would be difficult to exit. An alternative, narrower definition has been suggested by Margaret Levi (1997:28):

“Path dependence has to mean, if it is to mean anything, that once a country or region has started down a track, the costs of reversal are very high. There will be other choice points, but the entrenchments of certain institutional arrangements obstruct an easy reversal of the initial choice. Perhaps the better metaphor is a tree, rather than a path. From the same trunk, there are many different branches and smaller branches. Although it is possible to turn around or to clamber from one to the other-and essential if the chosen branch dies-the branch on which a climber begins is the one she tends to follow”.

This conception of ‘path dependency’ explains very well in what way an initiated political process may be very difficult to reverse, the usage of the metaphor of the tree adds to that. There may also be more gains following the initiated path so therefore the idea of increasing returns is central here. In such a process, the probability of further steps along the same path increases with each move down that path. This is because the “relative benefits of the current activity compared with other possible options increase over time. To put it a different way, the costs of exit of switching to some previously plausible alternative-rise. Increasing returns processes can also be described as self-reinforcing or positive feedback processes” (Pierson2000:252). The choice is now between the broader or the narrower definition of path dependency. Often, authors are not clear about which definition they employ therefore I would like to clearly state that in this thesis the narrower definition – that social processes exhibit increasing returns – will be applied. The reasons behind this decision was that the wider definition does not explain, in the case of the EUSBSR, that what happened in time of the set-up influenced later developments and outcomes at a later point in time. However, adding the aspects of the increasing returns along with the costs, political and economically, of reversal gives an interesting analysis of the EUSBSR. In other words, once the Strategy and the framework was decided the processes of developing the Strategy, involving and engaging the stakeholders developed path dependently, the cooperation itself has given added value and the costs of exit of the strategy are becoming higher as the time is passing. In addition, once the role of the Commission was established in relation to the Strategy there were expectations

on this commitment and with the passage of time it becomes every time more difficult for the Commission to leave this responsibility.

In the applicability of increasing returns argument three characteristics of politics change the picture considerably: “the absence or weakness of efficiency-enhancing mechanisms of competition and learning; the shorter time horizons of political actors; and the strong status quo bias generally built into political institutions. Each of these features makes increasing returns processes in politics particularly intense” (Pierson 2000:257). All these features increase the difficulty of reversing the course actors have started.

### 2.2.1 The institutional development

The EUSBSR is a macro-regional strategy becoming more institutionalised over the passage of time. In this section the institutions are treated as the objects of study. The formal political institutions are the object of study - which can be defined as codified rules of political contestation. The central questions in such an analysis are (1) What determines the choice of particular formal institutions? and (2) What determines how institutions, once created, change over time? (Pierson 2004:104). In the present analysis it is mainly the second question which is of interest in relation to the governance of the EUSBSR and, therefore, supports the shift from focus on institutional choice to institutional development. Rationalist approaches focus almost exclusively on what determines the choice of a particular formal institution and work backwards from the institutional set-up to develop an account of how the institutions were (or might have been) rationally chosen (Pierson 2004:104). The latter theory supports the claim that “a particular institution exists because it is expected to serve the interests of those who created it...while *societal functionalism* maintains that a particular institution X exists because it constitutes an effective response to some kind of societal problem” (Pierson 2004:105). The latter belongs to the *sociological and historical institutionalism*

## 2.4 Theoretical framework complementing leadership with path dependency

Since ‘path dependency’ and leadership theory cover very different areas the theoretical framework will be set up in a way to complement each other. A suitable structure is to let the leadership theory be the analytical tool for the early phase in the establishment of the Strategy and the ‘shuttle diplomacy’ that the Commission conducted in the development process. Apparently, the Commission holds a leadership role in the development of EUSBSR, however, here the focus will be mainly on the role, not on the process. In this chapter the first research question will be answered.

The ‘path dependency’ theory will be the analytical framework for time after the adoption of the Strategy, the second phase, when the Commission had fulfilled their task in the development and they were expected to take a greater role in the actual running of the Strategy. However, Commission’s leadership role in the second phase will only be briefly analyzed. At this point, it is the second research question that will be answered therefore there will be no longer a focus on the role but how the Commission handle and consider its leadership responsibilities. The ‘path dependency’ is a helpful analytical tool in this phase for investigating the leadership role they are trapped into and difficulties to diminish their leadership responsibilities. In addition, in the chapter on political commitment and prestige, included in the second research question, ‘path dependency’ will serve as the analytical tool.

Finally, as an clarification, there are two phases of the EUSBSR that will be analyzed: the development and the implementation of the Strategy. The first research question examining the leadership role of the Commission is placed in the first phase of the EUSBSR but is only briefly applied at the second phase. In this chapter the leadership theory will be applied. The second research question analyzing how the Commission handle and consider its leadership role is placed in the second phase, the implementation of the EUSBSR, and the ‘path dependency’ theory will be used. The chapter on political commitment and prestige is included in the latter framework.

### 3. METHODOLOGY

The purpose of this chapter is describing and motivating the methodological choices I did to carry out this research. The initial section describes the research design, while the following contains an account to the method. The explorative research method is the general approach applicable to interviews and document analysis. I will conclude the chapter with some considerations over strengths and weaknesses of the selected approach.

#### 3.1 Case study as a research design

This research ambition of this thesis is to be explorative, descriptive and explanatory. To be more precise, the present study is a qualitative case study. In the study of the leadership structure within the EUSBSR a case study suitable. Case studies are: “analysis of persons, events, decisions, periods, projects, policies, institutions, or other systems that are studied holistically by one or more methods. The case that is the subject of the inquiry will be an instance of a class of phenomena that provides an analytical frame - an object – within which the study is conducted and which the case illuminates and explicates” (Thomas, 2011: 513). Case studies within social sciences are utilized for their strength in areas where statistical methods or formal models are weak (George and Benett 2005:19). This quote gives an indication of the approach and selection of method that has been chosen. A classic critique addressed to case studies is their low theoretical, mainly because the most radical detractors claim it is impossible to draw generalization on the basis of a single case (Yin, 2003: 10-1). However, today this statement is almost overcome because many authors have shown how case studies might be theoretically worthy, especially if in the right research design.

An explorative case study, where the aim is to heuristically develop the subject, will be applied. Since previous research projects on the Commission leadership role of EUSBSR are limited in number the explorative approach has been chosen in order to extend, and gain access to, information not available today. In addition the official documents on the EUSBSR, naturally, rarely cover leadership issues or complexities have to gather information elsewhere, preferably in interviews with officials working directly with the Strategy. By the conduction of eight interviews with EUSBSR officials and the DG Regio officials from the Baltoc

Team(all of them, except one official) extensive information have been gathered on the leadership of the EUSBSR. Of importance to note is that I have been able to collect new information on the European Commission's leadership role that, most probably, is not available or researched previously.

When the purpose of this research is to gain familiarity with a phenomenon or acquire new insight in order to formulate a more precise problem or develop hypothesis, the exploratory (or heuristic) studies are suitable (Stenelo 1984). The advantage of qualitative studies is that it allows the researcher to collect data from as many aspects as the situation requires. In addition, according to Stenelo (1984:26) the manipulation of the input variables are reduced and a greater openness is created for the results. Another advantage in case studies is that the analytic freedom of action may be retained longer in the research process. An aim to strive for the researcher is not to reject new ideas in later stages of the research process. According to Guba (1978:70) "...premature closure is a sin, tolerance of ambiguity is a virtue". This working process approach has been applied in order to gain the maximum usage of the material collected.

### 3.2 Method: semi-structured interviews

Exploratory research is flexible and can address research questions of all types (what, why, how, who, when, where). Among the qualitative research techniques I have selected the semi-structured (telephone) interviews based on exploratory and narrative interview techniques. The semi-structured approach provides more freedom for adoption to the knowledge of the interviewee and ensures that all the most relevant topics have been covered (Richards 1996:201).

The interviews were recorded and transcribed since it enabled me to concentrate more on what the interviewee said, however, there are advantages and disadvantages that need to be considered: interaction, transcription and interpretation (May 2003:138). These aspects are always central when it comes to interviews and careful interpretation of the interviewees is crucial; the interviewer must constantly be aware that the information the interviewee is supplying can often be of a highly subjective nature (Richards 1996:201). In other words, interviewing should not be conducted with a view to establishing the "the truth", in a crude,

positivist manner Richards (1996:200). In the cases where the answers of the interviewees differ this will be considered as a finding by its own right.

The interviews have been conducted through telephone due to greater flexibility and less logistical issues this format has been a clear advantage. It is no doubt also a question of accessibility. The issue of interaction during interviews, as previously mentioned, is important to address. The fact that it was conducted through telephone, at least to some extent have limited the possible of influence or interplay between the researcher and interviewee. The interviews are transcribed (and available on request) and cited in the thesis but will also in general serve as a source of information complemented with official documents. In addition, the interviews in this thesis will not just be considered in relation to their validity but instead as an instrument for gaining information, obviously, complemented by the official documents.

There may be the case that questions will not be answered (or simply avoided) for political or ethical reasons and especially in the case when they are referring to their own working place (May 2003:128). All the interviewees were asked if they preferred to be anonymous and, interestingly enough, all the representatives from the Commission requested anonymity while the national stakeholders didn't. In the analysis, when applying the interviewees' responses, the relation between the position, the choice for anonymity and the level of political correctness will be kept in mind.

### 3.2.1 Working hypotheses-table

Exploratory research helps determine the best research design, data collection method and selection of subjects. This method has indeed been helpful in this process through the generation of formal hypotheses. These hypotheses are based on a theory and serve as a guidance of "where to search" for information with the aim of filling the gaps in the research material. "If the theory happens to be too general or too specific, a hypothesis cannot be formulated, therefore exploratory research is felt to gain experience that will be helpful in formulating relevant hypothesis for more definite investigation" (Shields and Tajalli 2006:320). The working hypotheses are constructed using information from the literature.

The working hypotheses are "provisional, working means of advancing investigation"; they lead to discovery of other critical facts" (Dewey 1938:142). The combination of the EUSBSR literature and my pre-assumptions on the leadership of the strategy served as a tool for advancing the research. Along the interview process the hypotheses were further evolved

and redefined, thus adapted to the responses of the interviewees. There has been a process of constant rewriting of the questions and the hypotheses due to adaptation to the remaining interviews, however, these are only used for the aim of creating interview questions. The reason for this is that the aim of heuristic research is to gather information and a prerequisite is to pose the most adequate questions on the most crucial aspects of a certain issue.

In order to structure the process of developing interview questions and link them to the theory, the working hypotheses method was very useful. Considering practicalities, I set-up an operationalization table where all the research questions are presented, along with the equivalent working hypothesis. These hypotheses have been classified under broad categories, with a number of sub-hypotheses.

### 3.3.1 The selection of interviewees

The selection of interviewees is vital. The selection of interviewees has proceeded in a similar mode as the development of research questions and hypotheses, namely developed in an explorative mode along the progress of the work. The interviewees have been asked to suggest additional relevant stakeholders and this has influenced the selection to a great extent. Since these stakeholders work regularly with the Strategy they have a vast network in the Baltic Sea Region, have knowledge of relevant stakeholders in the region that was taken advantage of in the interviewee selection. Another name for this kind of process is snowball effect gathering of interviews or chain referral sampling (Biernacki and Waldorf 1981:141). Inspired by the information gathered from the conducted interviews the proceeding process and area of investigation will be decided. However, I have to avoid gathering too much information from a certain aspect of the leadership of the EUSBSR or a specific nationality and make sure that there will be at least a fairly well representation of different stakeholders.

The lower number of interviews the more important to consider this aspect, however, in this case eight interviews have been conducted. In addition, there is always the aspect of who answers the email or not that influence the final number and positions of interviewees. Since this thesis is developed in the explorative research tradition the aim is to conduct as many interviews as possible to get a wide range of perspectives on the issue.

When referring to the Commission it should be understood as the Commission as a whole but in practice it is the Directorate General for Regional Policy, and their officials, that conduct the everyday work and are the ones interviewed in this work.

### 3.5 Strengths and weaknesses of the methodological approach

A common critique of the interview method is that it is, by nature, subjective and describes a limited perspective of the whole range of viewpoints. The aim is and, cannot be, to tell a complete picture or truth about the Commission's leadership role in the EUSBSR but to give an account of 8 stakeholders' perspective on the cooperation and Commission's role. The strength of this method is that these accounts, naturally, never appear in the official documents so in that sense I have gathered information which is non-accessible in formal documents. That opens up for new areas of studies and a possibility to cover new perspectives of the area of study. Simply by the nature of the method, some of these perspectives cannot be supported by the official documents and in these cases they will simply represent one perspective by itself, completed by a theory.

To conclude, one might consider the selection of the analysis of the leadership role of the Commission in the EUSBSR daring since they themselves do not agree with this definition and a limited number of studies have been conducted on that specific topic. On the opposite, these factors have been challenging per se and the interviews are an invaluable source of information for discovering new angles of the leadership of the EUSBSR.

Moreover, what will be apparent in the following chapters is the fact that the interviewees' answers frequently differ. This will be considered as a finding by its own right; they represent different perspectives and thus understand and consider things differently. For instance, the representatives of the Commission answers points into the direction that they are not the leaders and are trying to hand over the responsibility to the real owners of the strategy: the Member States. The Swedish stakeholders, on the other hand, answer that they are satisfied with the present situation but have an understanding of the complexity of the issue. These perspectives underline the problem area itself, namely, the European Commission as the reluctant leader and placed in a leadership dilemma.

## 4. THE EUSBSR INITIATION AND LEADERSHIP STRUCTRE

In order to understand the complexities of EUSBSR leadership the formal structures will serve as a frame for understanding. That is the purpose of this chapter and in order to support the entire understanding of EUSBSR structures there are a number of pieces that need to be added. For instance, the process of the creation of EUSBSR will be presented in order to serve as a support for the later analysis of the Commission's role within that process.

In other words, this chapter serve two purposes. On the one hand, it contains important information concerning the Strategy and its development in order to facilitate the comprehension of the topic. On the other hand, it introduces the EUSBSR leadership structures that will be applied in the following chapters

### 4.1 The Baltic Sea Region and the creation of the EUSBSR

Estonia, Lithuania, Latvia and Poland became members of the EU in 2004 and then a completely new situation arose for the Baltic Sea Region cooperation. Now were the eight out of nine states bordering the Baltic Sea members of the EU and it was early on recognised, by the European Parliament, as an important opportunity (Swedish Government 2010:4). The EUSBSR origins stretches back to year 2005 when the idea of a common strategy for the BSR was introduced by the 'Europe Baltic Group' which was an informal group of seven MEPs (Beazley et al. 2005). The idea, although not initially met with a positive response by subsequent presidencies of the EU, Finland and Germany which showed no willingness of embracing the new initiative. Instead, it was Sweden who encouraged the Council to pursue the issue (Schymik and Krumrey 2009:5). Another perspective on how this process took place, according to Anders Lindholm, was that Sweden sold in the idea together with the European Parliament's informal Baltic Group (Personal interview, 18 March 2013). This statement can only invite to a reflection on how these processes normally take place, however, what is important to bear in mind is that Sweden throughout the development, as well as implementation, occupied a central role.

This process should be placed in a long tradition of cooperation in the Baltic Sea Region where the development of EUSBSR was the most ambitious project for an overarching cooperation in the region. Ulf Savbäck pointed out that the Commission called the numerous and wide ranging Baltic Sea organizations for the “Baltic Soup” (Personal interview, 18 March 2013) which also indicates the need to structure that cooperation.

The drafting of the Strategy and the accompanying Action Plan was a process highlighted by the Commission and others (e.g. Shymik and Krumrey) as featuring a wide stakeholder process. The three principal components of the process were: non-papers from governments and other official bodies in the region, stakeholder events to allow NGOs and private participants to contribute and public consultations (Metzenger 2012:14). The public consultation process resulted in a considerable and substantial response - over one hundred written contributions - from Member States, non-Member States, regional and local authorities as well as from inter-governmental and non-governmental bodies (Metzenger 2012:14). Although, this indicates a solid effort of including all the relevant stakeholders in the Baltic Sea Region, the consultation process should not be assessed based only on the number of contributions and proposals that were received. The process in itself and the Commission’s leadership role and influence at this time are relevant aspects for a full examination. This will be considered in the next chapter.

#### 4.1.1 The Action Plan

To begin with, it is important to point out that the Action Plan is a state official document guiding the practical work within the framework of EUSBSR and that these documents are regularly updated and revised. The EUSBSR (the Strategy itself), on the other hand, is a political document endorsed by the European Council.

The revision of the Action Plan was finalised in February 2013. A task force was established in June 2011 with the aim of setting-up roles and responsibilities of the EUSBSR stakeholders and to clarifying a concept of a flagship project of the EUSBSR; representatives of all the implementing stakeholder groups of the EUSBSR were invited. The work of the task force resulted in the set of roles and responsibilities of the implementing stakeholders of the EUSBSR, the definition of the EUSBSR flagship project concept and the description of the labelling process of the EUSBSR flagship projects. The outcomes of the task force are reflected in the European Council Conclusions on the completion of the review of the

EUSBSR of 26 June 2012 (European Commission 2012) and the reviewed Action Plan of the EUSBSR of January 2013 (European Commission 2013).

According to Stocchiero, the Action Plan is the most important steering document, and is drafted mainly by national governments and the Commission, through a consultative process featuring various stakeholders (2010:6). This way, the formal decision-making procedure of the EUSBSR, is ultimately managed via the European Council, who is responsible for the major policy changes.

## 4.2 The EUSBSR leadership structures

As an introduction to the governance structures, introduced with the Action Plan (European Commission 2013), Baiba Liepa from 'Interact Point Turku' was, during one and a half years, part of the process drafting the tasks for the roles and responsibilities in the governance structures states that they were always referring to relevant actors. "There is no need to make a big party for the whole region; you should make a good party for concrete actors and persons who can make a change in the implementation of a particular area" (23 April 2013). So the possible contribution of each actor was guiding the work of setting up the roles and responsibilities.

### 4.2.1 The structures – 'the three no's'

The important structural changes within the EUSBSR system is the incorporation of the so called 'three no's'. This approach aims at realizing the Strategy's objectives without adding any new institutions, legislation or funding to the implementation of the EUSBSR; "instead it collects and highlights diverse and often already existing initiatives and instruments within a Baltic Sea Region framing, adding a macro-regional perspective" (Metzger 2012:265). These are highlighted within the governance framework as something new for a macro-regional approach and 'the three no's' is part of the EUSBSR framework and therefore something the stakeholders need to relate to.

First, the no new institutions rule was motivated by the fact that various established institutions were already present in the Baltic Sea Region (Stocchiero 2010:8). The no institutional rule offers a kind of contradiction in a sense that it has, in relation to EUSBSR, been pointed out that political space cannot operate without institutions. In this way, the no new institutions idea presented by the Commission is a contradiction in itself. Instead, EUSBSR governance is arranged around an institutional structure composed of a type of multi-level governance structure (Stocchiero 2010:8). The task of the main stakeholders within this structure will be presented in a later section. According to Metzger and Schmitt, it can be “questioned if this governance framework can handle the massive exchange of information envisioned in the description of the proposed structure for coordination of it, Finally, it is interesting to note that both the process of development as well as the actual Strategy document put the Commission, although indirectly, in a central position in the singularized Baltic Sea Region, even though, officials from DG Regio have repeatedly attempted to downplay this emerging central role (Metzger and Schmitt 2012:272).

Sooner or later, according to Metzger and Schmitt, demands will arise for more extensive formal institutional structures for the EUSBSR (2012:274). The revision of the Action Plan with the formalization of the roles and responsibilities, as previously described, is one example of such institutionalization.

“Even though we said from the beginning that it should not be institutionalized I have to admit that there is no way of making it more official without this structure. I think we need to have some leadership in the area supported in the area, I don’t know how to make. We have to make it operational in the hands of the Member States” (Personal interview, 4 April 2013).

Moreover, I will return to a quest for a more formalized leadership from the Commission.

A number of stakeholders called for an own budget line for the Strategy in the consultation process, as did the Parliament earlier on, but “the Commission (and others) remains distinctly negative to the idea. Such a position was probably necessary in order to get the Strategy adopted by the European Council, but it nonetheless creates a problem that the Commission has no designated funding for its coordination efforts” (Bengtsson 2009:6). The effective reduction of any major obstacle to the adoption of the strategy may lead to complications for the continuity of the work of the Commission. An official from Baltic Sea Region points out that the Commission received technical assistance money as a gift from the European Parliament that was distributed to the Horizontal Action Leaders, Priority Area Coordinators

and paying for the Annual Forum and the communication. However, now you have more macro-regional strategies so the Commission do not know if we will get the money once more (Personal interview, 2 May 2013). Dedicating a fraction of EU resources for a limited part of the EU is still a sensitive issue. In the endorsement as well as in the implementation of the Strategy, it is good to avoid being accused of taking money for the Baltic Sea Region on behalf of other parts of EU. Nevertheless the issue of lack of financing of the Commission's activities remains.

#### 4.2.2 The Commission's leadership tasks

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 National Contact Points under the Prime or Foreign Affairs Ministries in the Member States. The third level is made out of the Priority Area Coordinators, which are typically central administrations or rarely regions or intergovernmental bodies. At the fourth level, the flagship projects with their Flagship Project Leaders (in general, various agencies and institutions in the region) are the main implementers of the Strategy (Stocchiero 2010:8).

The tasks of the Commission include: Playing a leading role in strategic coordination of the key delivery stages of the EUSBSR; Taking the EUSBSR into account in relevant policy initiatives and program planning; Promoting and facilitating the involvement of stakeholders from all levels of the entire macro-region and supporting them implement the EUSBSR; Encouraging dialogue and cooperation with stakeholders from other interested Baltic Sea Region states; Facilitating implementation of the EUSBSR in cooperation with the Member States Consulting on a regular basis with the Member States, inter alia through the High-Level Group; Evaluating and reporting on the progress made in implementing the EUSBSR and the results achieved (European Commission 2013).

The Commission, via its DG for Regional Policy, is in addition responsible for large parts of the communication about the Strategy where the operation of the targeted website and regular newsletters are included. Moreover, they organize an Annual Forum where they present the Strategy and its progress to the stakeholders of the EUSBSR. The input from this forum should also be incorporated within the Commission's annual reporting on the implementation process of the Strategy (European Commission 2011).

#### 4.2.3 The High Level Group

The High Level Group (HLG) consists of senior civil servants from each EU Member State and, thus, binds together the EUSBSR EU level with the Member State level. It was formed as an advisory group for the Commission during the implementation of the EUSBSR; however, they also provide opinions on the review and updates of the EUSBSR and Action Plan and propose actions for the Commission as well as the Member States to strengthen the EUSBSR implementation (European Commission 2013). The meetings of the High Level Group are organized on a regular basis according to need, but at least twice per year and consults with the Commission on the developments of the Strategy. Even though the HLG advise the Commission on the implementation process, providing key steering debates and EU wide anchorage of the Strategy it is more a kind of national representation body than a leading body (Personal interview, 4 April 2013). This has implications for implementation of the EUSBSR and there will be given accounts to various voices suggesting a strengthening of this group. From the Commission perspective the leading of this body is an issue; they want another leading structure. A DG Regio official gives an account of a High Level Group as central in the leadership role, even though he states that the Commission are not happy about taking a central lead (15 March 2013). This responsibility is part of the things that the Commission wants to change in terms of its roles within the EUSBSR.

#### 4.2.4 The responsibilities of the Member States

At the Baltic Sea Regional level, National Contact Points (NCPs) have been appointed by the participating Member States, to assist in the national implementation of the Strategy (European Commission 2011).

The responsibilities of the Member States includes: Ensuring that the EUSBSR is implemented and has continuous political commitment to it; intensifying actions further to extend the existing political support for the implementation of the EUSBSR at all levels; Ensuring that national and regional strategic planning, existing policies, program and financial

instruments is in line with the EUSBSR by: coordinating and integrating relevant policies with the EUSBSR (European Commission 2013).

This brief account of the responsibilities the stakeholders have agreed to fulfil serve as an introduction to the discussion of leadership in the EUSBSR.

## 5. THE COMMISSION'S LEADERSHIP ROLES

In this chapter the leadership roles of the Commission will be analyzed with the help of leadership theory and the concept of a institutional entrepreneur will be applied. The first research question will analyzed by considering a number of aspects of the Commission's leadership roles.

### 5.1 An Institutional entrepreneur in the development of EUSBSR

The Commission got the mandate from the European Council to develop the first macro-regional strategy. "At that point the Commission had two options: to make a halfhearted consultation or take it seriously and try to make a good consultation process and to produce a real working strategy. The Commission choose the second option under the influence of the Commissioner DanutaHubner where they took it seriously, a task force was created and the rest is sort of history" (Personal interview, 15 March 2013). They were credited for their work and were fulfilling a role that was needed within this process. That task force was set up by Colin Wolfe, the head of Unit, DG Regio. He was the one charged to make the whole process work and he set up a small and efficient team of his own staff. After this followed, according to a member of this team, "months of very intense work from October 2008 until June 2009 the group had extremely hard work and pressure but I was also fulfilling actually because the group was getting a lot of work done and a lot of support for what they did" (Personal interview, 15 March 2013). In other words, in the process drafting the first version of the Baltic Sea Strategy the Commission took its job very seriously, the team at the DG Regio worked as an imposing force which was, obviously, appreciated by the stakeholders which praised them for the work. Anders Lindholm, national expert at DG Regio, gives an account of a very listening process were six major conferences and a number of other meetings were conducted where the stakeholders' perspectives and points of view were gathered. In addition, DG Regio tried to negotiate directly with the Member States and seeking concrete agreeable proposals and they managed to collect it all in a very open process. Finally, Lindholm describes a very intense internal process at the Commission where 19 Directorate Generals looked at the different texts and gave the records on the Strategy and made suggestions for

changes (Personal interview, 18 March 2013). This inclusive process appeared to be guided by an ambition to be as non-imposing as possible towards the stakeholders. It was built on the existing conditions of the Baltic Sea Region with the aim of coordinating and facilitating the dialogue between the present multilevel organizations already in place in the region (Dubois et al 2009:32).

Through adopting the EU strategy, these countries are indeed committing themselves to increased attention to the problems and prospects of the Baltic Sea but, Bengtsson states that, “there remains an uneasy question about why the very same countries have not pursued the division of labour problem already in the past. The Baltic Sea Region thus seems to confirm the general picture in international relations that it is much easier to set up institutions than to get them working properly” (2009:6). That is a relevant comment that needs further attention, however, here it is brought to give a perspective on the development of the Strategy. Simply because the process of setting up the Strategy was successful this, do not necessarily, say something about the efficiency of the Strategy within the implementation phase.

#### 5.1.1 The institutional entrepreneur

The role of the Commission in the process of development of the macro-regional EUSBSR can be analysed by the help of the concept of *Institutional Entrepreneurs*. Even though the EUSBSR is not a question of institutional reform but simply the development of a strategy which would serve as a cooperative framework in the Baltic Sea Region, the concept of institutional entrepreneur is applicable. According to Schinkler (2001) account, institutional change often highlight the role of “entrepreneurs”. In times of institutional reform mobilization often creates collective action problem where well-situated actors may play the crucial role of framing the agreeable proposals. These actors are often regarded as neutral ones. The well-situated actor DG Regio performed what perhaps could be labeled as a major feat of “shuttle diplomacy”, consulting and coordinating various DGs, nation states, multinational and transnational organizations, NGOs and regional authorities (Metzger 2010:14). DG Regio conducted an satisfactory work but, adding another level to the argumentation, could it be that from Commission’s perspective they simply prepared it because they had to do it? According to a DG Regio representative, participating in this process, for the Commission “it was an easier task to conduct at macro-regional level

gathering all the inputs and to prepare the strategy. Apart from that the Member States are the responsible ones; they wanted a strategy, they have it and they have to implement it” (Personal interview, 2 May 2013).

Schinkler (2001) argues that the multiple interests’ stakeholders need entrepreneurial action to craft solutions and make them work together in pursuit of them. The interviewees pointed out that the Commission was the only actor being able to cope with that role because all the others were seen as representing specific interests. Padgett and Ansell (2003) argue that the most important factor is the access to multiple social networks. In the construction of agreeable solutions of the EUSBSR a success factor for finding the agreeable solutions was the access to these actors. Its position in itself is suitable strategically placed with a high level of access to the Member States and the stakeholders in the Baltic Sea Region.

#### 5.1.2 A Mediator?

Then in what way did the Commission role differed from that of a mediator? Here the role of the mediator is brought up with the aim of examining if it fits into the institutional entrepreneur role or not. This possible role is highlighted since it brings light on the room for manoeuvre the Commission upholds in the process. Even though the stakeholders gave an account of a neutral and trustworthy Commission it does not mean that they have their own agenda or at least have an interest in setting up a strategy that is close to their preferences on what a workable and efficient strategy looks like. The role of the institutional entrepreneur is freer than the mediator in a way that they are under no obligation to act in a manner that will seem impartial to all the principals. Young develop further the difference between these types of actors (2001:295):

“Unlike mediators, they are typically agents of actors that possess stakes in the issues at hand and participate in the relevant negotiations in their own right...Equally important, entrepreneurial leaders do not limit themselves to efforts to assist or facilitate negotiations among the principals. They work to frame the issues at stake and intervene energetically in the substance of the negotiations, endeavoring to invent attractive options and to persuade the parties to back the options they espouse. It follows that entrepreneurial leaders are not bound by a number of restrictions that constrain the efforts of mediators or other third parties”.

Applying this aspect to the Commission's role in the negotiations is interesting because it sheds light on the freedom of the position in the drafting process. In practice there may have been a different reality but the position itself is quite open. However, Anders Lindholm states that in the drafting of the EUSBSR it was especially influenced by the Commission, they gathered all the perspectives of stakeholders but it was only when something considered being very controversial they would react and propose a change of the actual text (Personal interview, 18 March 2013). By its own nature it is a complex process to influence, especially since there were a vast number of stakeholders involved and that fact puts the Commission in a more advantageous position. According to Ulf Savbäck, that role of the Commission was definitely visible and gives an account of a process where the stakeholders responded to a number of questions from the Commission rather than questioning the content per se. As a continuation, when the Commission came out with their draft, after the consultations, it was almost impossible, in a multilateral process, to fully challenge such a strategy (Personal interview, 18 March 2013). The aim is certainly not to prove if the Commission had their own agenda – rather the opposite – but indicate the flexible and advantageous position of the Commission, on opposite to the limited room for maneuver of a mediator.

## 5.2 The unusual and powerful role of the Commission

Considering the EUSBSR development process above reveals that the methodology in the making of the EUSBSR was at this time actually rather unusual in the context of EU territorial policy. As Haughton et al note, contemporary transnational regional projects in Europe have previously been primarily the sole business of small groups of experts and civil servants, and the resulting strategies and visions have primarily reflected the consensus reached within these restricted policy circles and did not have very much input outside of them. The open consultations, developed in the EUSBSR process, involving all the stakeholders in the region aiming at tying together already existing interests, initiatives and projects was something new that placed the Commission at a central position (2010:20).

That is obviously a relevant comment that brings me to how the Commission is regarded considering neutrality. Anders Lindholm (Personal interview, 18 March 2013) gives an account of a trustworthy, neutral Commission with confidence and discretion. As a continuation, the stakeholders: “do not examine the Commission with some kind

of immediate skepticism (what are they up to now?), only when it becomes controversial content-wise players react and oppose the Commission proposal.” This account of a Commission’s role can be preferably related to an account (Underdal 1994:183) of a kind of conditional leadership:

“A leader does not supply leadership in the abstract but provides a particular "product"-a particular set of services designed to achieve some particular purpose. Similarly, followers do not demand, and will not subject themselves to, any kind of leadership; they are prepared to let themselves be led only in a particular direction and perhaps only in a certain fashion”.

The European Commission is in a powerful position where they together with top-level officials in the Member States can act as the ultimate arbiters of which issues should be proposed to be included in the Strategy and which not, which voices to listen to in the process and which not, and, further, which actors responsibilities of implementation should be delegated to and which not. Yet, the ‘day-to-day’ decision-making of the EUSBSR is handled mostly between the Commission and the Member States (via the High Level Group), albeit in collaboration with other relevant actors via the stakeholder process outlined above. All, in all it is however the Commission staff, via DG Regio, that finally drafts the strategic document and decides what stakeholder input to include (Stocchiero 2010:6). Therefore it is relevant to take a closer look at that emerging role of the Commission and how it appeared.

It is interesting to note that both the process of development as well as the actual Strategy document put forward by the Commission, although indirectly, in a central position in the singularized Baltic Sea Region. Even though officials from DG Regio have repeatedly attempted to downplay this emerging central role, according to Metzger and Schmitt, the Commission inevitable becomes positioned as a claimant to the status of legitimate regional spokesperson with the right to define the interests and essence of the Baltic Sea Region (2012:272). Here, the reason behind this emerging role of the Commission was referred to as the singularized Baltic Sea Region where they were the natural emerging regional spokesperson. Additionally, stakeholders’ accounts of the Commission as the natural, trustworthy leader placed in a strategic position to uphold that functions. There is an additional aspect that puts the Commission in its influential position, namely, the facilitation and holding in place and protection of the singularized version of the Baltic Sea region in the EUSBSR. In that sense the Commission secures that it does not again break up into multiple, perhaps conflicting, articulations (Metzger and Schmitt 2012:275). All these accounts

indicates a powerful role of the Commission within the European Union Strategy for the Baltic Sea Region.

### 5.2.1 Policy dialogue

Regarding the role of the European Commission, at this stage in the process, it was an unusual one because here they were working in a policy dialog and not just following up the treaties. Working directly with the stakeholders as the coordinator means that “the Commission will work with a whole array of governmental and non-governmental actors, in effect occupying a potentially very influential position” (Bengtsson 2009:5). That’s no doubt a powerful role acting as the central actor gathering all the comments in the development of the strategy. On the other hand, they were given the mandate by the European Council to perform this task no matter what they thought about the work itself. Nevertheless it is interesting to consider the opinion of the Commission performing this task. Ulf Savbäck (Personal interview, 18 March 2013) gives an account of civil servants at DG Regio which enjoyed this free policy development work much more than the regular monitoring of the treaty texts. As a continuation, I asked Ulf Savbäck if this was a problematic role that the Commission was occupying and he answered that he was far too much into the work that it was difficult to regard it from the outside.

### 5.3 Commission’s role in the EUSBSR implementation

The Commission has been identified as an entrepreneurial leader in the process of development of the Strategy which the previous application very much indicates; nevertheless, the implementation phase is a different story. The central area of study is the role in the development of the Strategy and, therefore, Commission’s role in the implementation will only briefly be analyzed.

Nevertheless, in the implementation they are upholding a relevant role but it is rather complex to identify and label that role of the Commission. Underdal states that instrumental leadership

(labeled *entrepreneurial leader* by Young 1991) “seems to be based on three capabilities: skill, energy, and status. At least skill and energy may for all practical purposes be considered necessary conditions for success” (1994:188). Snidal (1990: 345) talks, for example, about the need of “conjunction of resources and initiative”. These factors may be applied to the discussion in the role of the Commission in the implementation phase. As presented previously the stakeholders have given an account of skills and status of the Commission in the process of drafting the EUSBSR, however, the aspect of energy, in other words resources, may be lacking in the implementation. Snidal’s (1990: 345) “conjunction of resources and initiative” may direct us in an interesting direction in line with the accounts of the interviewed representatives at DG Regio. There will be given an account of only three people working at the Baltic Team at the DG Region and this, nevertheless, indicates a lack of resources to manage a Strategy.

The shift from the development phase to the implementation phase implied a new leadership role of the European Commission. A DG Regio official had another perspective on the expected role of the European Commission within the implementation phase. The expectations of the future role of the Commission was initially conceived of as a consultant work, where DG Regio would step in and assume responsibility for running the process and drafting the Strategy but then step back and leave full responsibility for the application of the Strategy to the involved stakeholders and project owners. However, in the end it didn’t work like that, from every level they were expected to stay involved (Personal interview, 15 March 2013) and the Commission turned out to be something more than simply consultants with a greater responsibility and influence. Even though officials from DG Regio have repeatedly attempted to downplay this emerging central role (Personal interview, 15 March 2013) the Commission has become the instigators and ‘owners’ of the strategy, the EU inevitably becomes positioned as a claimant to the status of legitimate regional spokesperson with the right to define the interests and essence of the Baltic Sea Region (Metzger and Schmidt 2011:272).

As a response to the implementation complications the Commission has, to some degree, “retreated from the more dogmatic distributed network implementation model that was initially envisaged for the Strategy and, instead, proposed a framework for the coordination of efforts towards the further development and implementation of the Strategy” (Metzger and Schmitt 2012:273). The newly revised Action Plan (European Commission 2013) indicates these changes in the implementation model.

## 6. THE HANDLING OF COMMISSION'S LEADERSHIP ROLE

In order to answer the question on how the Commission consider and handle its leadership role in the EUSBSR there are a number of relevant factors to consider. The leadership dilemma and the requests for limited responsibilities are important parts in the EUSBSR leadership puzzle where the 'path dependency' theory is an analytical tool for understanding of the lack of flexibility within the system.

### 6.1 EUSBSR leadership issues

There appears to be a misfit between the expectations of the Member States and the Commission own view on their role and responsibilities within the EUSBSR. Formally, each stakeholder's responsibilities are clearly regulated in the governance structure of the Action Plan but in practice there seems to be a misfit. The Commission tends to refer to the formally stated responsibilities while, in practice, when an actor does not fulfill its responsibilities, this needs to be done by someone else.

#### 6.1.1 The reluctant leader?

According to a DG Regio official, "the High Level Group is central in the leadership role, even though the Commission is not happy about taking a central lead....in my view the Commission is actually trying to relinquish their role in the strategy, apart from the coordination of the Strategy in relation to specific policies. We are satisfied with that role and would rather see a much wider body leading the Strategy" (Personal interview, 15 March 2013). When asking Anders Lindholm, a former national expert at DG Regio, about the reluctant leadership of the Commission I got the answer:

"Yes, I think that's correct. It was never an end in itself for the Commission to have a leading role in the strategy. You want to achieve the results, get enhanced efficiency and be able to point out a success in this area but never reached for a leadership role as you do in other areas"(Personal interview, 29 April 2013).

This perspective indicates that the results and efficiency of the Strategy is central for the Commission but not to lead a strategy. In that sense they may have been ready to take on greater responsibility when there was such a need for the purpose of the success of the Strategy. According to a DG Regio representative, the Commission is trying to relinquish their role in the strategy, apart from the coordination of the Strategy in relation to specific policies. “We are satisfied with that role and would rather see a much wider body leading the strategy” (Personal interview, 15 March 2013). This account of the European Commission as the reluctant leader of the EUSBSR should serve as an introduction to the following presentation of leadership dilemmas at place in the EUSBSR.

#### 6.1.2 The EUSBSR leadership dilemma I: Commission is not the leader!

When asking the interviewees about the role of the Commission, a significant number of them answered that the Commission is not the leader of the EUSBSR, but the coordinator or facilitator (Personal interviews, 15 March 2013; 3 April 2013; 4 April 2013; 23 April 2013; 3 May 2013). Here it is relevant to stop and reflect on their perspectives. To begin with, the majority of these interviewees are Commission officials. Moreover in direct relation to their accounts of Commission’s responsibilities, they refer to the responsibilities of the Member States. These actors are the owners of the Strategy so they should be the leaders and finally when the Member States do not do their job, the Commission needs to step in and cover up. A stakeholder working closely with the Strategy for a number of years states that:

“the Commission is not the coordinator, they are the facilitator. The Horizontal Action Leaders and the National Contact Point are the leaders so this is the first answer. Secondly, the High Level Group is an advisory group, the last level for decision-making, is so much more than the status provides for today. The Commission always wait for them we always wait from them, in a decision, and when they say it’s ok, the Commission say it’s ok”(Personal interview, 2 May 2013).

Even though the roles and responsibilities of all the actors are clarified in the Action Plan (European Commission 2013), this account serves as an insight into the complex, multi-level, governance structure of the EUSBSR. Returning to the role of the Commission within the Baltic Sea Strategy: “If the Commission took more tasks, and where more active that was because there was someone who (read, member states) did not do their jobs properly”

(Personal interview, 2 May 2013). This account opens up for one role in theory and another in practice, when the stakeholders do not fulfill their assigned tasks. This, however, does not change the position that the Commission does not wish to take on further leadership.

There is no time to manage the Strategy when “the Baltic team has two national experts and one official, Joanna Kiryllo work part time, Jean-Marc Venineaux work part time and there is one trainee. Three people cannot manage a strategy so the role is only to facilitate. The ‘Interact Point Turku’ is very good so they should be mentioned, without them we couldn’t do all the things they do, they really deserve the appreciation”(Personal interview, 2 May 2013). The aspect of resources and personnel are central. According to that same stakeholder, it would not even be possible for them to manage a strategy with that limited amount of personnel. In other words, we are not the leaders and you can see that we do not even have the personnel to lead the strategy; adding a very practical aspect to the discussion.

The last part of this puzzle concerns the legal framework. As part of ‘the three no’s’ in the EUSBSR is no new legislation. The Strategy is placed within the existing legal framework and the Strategy itself is not legally binding. This adds another level to the role of the Commission within the Strategy. A stakeholder working with the Strategy for many years gives an account of the implications of a lack of legal basis for the cooperation referring to a situation in the last revision of the Action Plan where there were two Member States fighting in this process. In such a situation the Commission:

“do not even have a legal basis to say - ok, you don’t agree then the Commission decides that it will be like this because the Commission isn’t the boss. Then because it was ongoing it will be anyway a communication and this is a Commission document so then we decide what we put in the communication document. So had to go this way, because everybody said when EC don’t decide it will be the High Level Group which decide and there you have the same people fighting...Even communication is not a regulation or a directive, it’s for information. We can encourage we can say if it’s good or bad but we don’t have any legal basis to force anybody. If it would have been a regulation it would have been different then you don’t have to write communications. It’s nice, but...”  
(Personal interview, 2 May 2013)

Without the legally binding framework at place, the instruments at hand in such a situation are few. One may say that it is really up to them to solve these issues. They wanted the Strategy, they have the Strategy and now it is up to them to implement it. The question that remains unanswered is: who should clear up a complex situation like the one previously described? In the end, someone has to do it and the Commission gave an account of a one way, however not optimal, to cope with such a situation. However, to solve an issue without the accurate tools at

hand is in the end also a kind of way of managing the cooperation. When the Member States cannot solve their own problems it comes back to the Commission. Here the Commission serves as something that could be described as a kind of lender of last resort. With these words, I conclude this section and turn the focus towards the role the Commission would like to play instead. As a continuation, according to the Commission: “we can monitor because we are outsiders in some way, we can prepare documents for the European Council to endorse and thinks like that...but not be the leaders” (Personal interview, 2 May 2013). Maybe just because they are outsiders, they can deal with complicated situations, such as the conflict between Member States.

### 6.1.3 The EUSBSR leadership dilemma II: Commission wants to have less responsibility!

Reading about the leadership structure of the EUSBSR a picture of a kind of leadership dilemma becomes clear. The Commission wants to pass over some of their responsibilities (or simply does not want to cover up for the Member States’ tasks) to the Member States - the actual owners of the Strategy – while there is a limited interest from the Member States to take a greater responsibility in the leading of the Strategy. So far the Commission has not succeeded, it has not been possible. The format for a new governance structure is unclear and a general lack of interest, from the stakeholders, for such a role.

On the opposite, the sooner the EUSBSR can prove clear and good results the sooner you will have Member States ready to claim the role, and consequently, the sooner the leadership structure will be solved. Then naturally some Member States would be happy to say that the success was thanks to them, however, how to relate the results to a specific Strategy when there are so many external factors at play. A DG Regio official (Personal interview, 4 April 2013) explains the complex situation in the following way: “the leadership is needed otherwise it will not change anything at the same time the leadership will be claimed once the results are good. This is the dilemma.”

The link between results and a strong leadership is clear. In the EUSBSR there is a need for a strong leadership however it is an unsolved issue. At the first place, the Strategy was requested by the European Council and by Member States in the region and, secondly, developed by European Commission. The Member States are the owners of the Strategy,

nevertheless, the ownership or leadership is still a big issue. When I asked a DG Regio official about the division of responsibilities I got the following answer:

“We have been the institution trying to keep the momentum in the Strategy but now we think that it’s their time to take over this role and responsibility. I am not saying that we have been the leaders but we have tried to keep it alive, it’s not dying. We would be happy if the Member States would be able to take over some of the roles of steering and leading” (Personal interview, 4 April 2013).

A possible reason for today’s leadership complexities is that the Member States did not realize the actual responsibilities related to the adoption of the EUSBSR. It was in many ways a very ambitious macro-regional strategy and since it was the first strategy of this kind there may have been a lack of understanding of what they assigned themselves to do. On the other hand, the Commission may argue that a leadership discussion would not even exist if the Member States would have understood their role at the first place. Baiba Liepa, Interact Point Turku, gives an account of frequent requests from the Member States to the Commission to take the lead of the Strategy and she finds this interesting because from the beginning it is the Member States’ Strategy, they approved the Strategy and the Commission was just supporting the process. In that sense, she continues, it is quite clear that it should be the Member States who should take over but if they would have understood their responsibilities at the first place there would not be a need to hand it over, the Member States should be leading the Strategy by now (Personal interview, 22 April 2013). In that sense the requests from the Member States, in itself, indicate that there is a gap between the understanding of responsibilities and in this position the Commission tries to reduce its leadership responsibilities. This position must be frustrating for the Commission since they have ended up in an unexpected position and a leadership dilemma which may be complicated to leave.

However, discussions on how to solve this complex situation takes place continuously. For instance, Erik Kiesow gives an account of various suggestions for leadership solutions where the most absurd one implied the nomination of a kind of President of the Baltic Sea Region where Lech Walesa, for instance, was mentioned (Personal interview, 30 April 2013). That proposition may be a quite unrealistic solution to the leadership problem in the region, however, more realistic suggestions have also been put forward as, for instance, the rotating Presidency of the Baltic Sea Region. A stakeholder, involved in the Strategy for many years, states that in a recent meeting it was suggested that there should be a rotating Presidency of the EUSBSR with each Member State taking the full responsibility for half a year. As a continuation, she states that the first reaction was really negative and that it is problematic that

really nobody wanted to be fully responsible for the EUSBSR even for half a year (Personal interview, 2 May 2013). Even though the first reactions of the Member States were negative, and their standpoints may change over time, it gives an indication of the hesitant approach towards leadership responsibilities and, consequently, the Commission's difficulties in reducing its leadership responsibilities. Despite the fact that today, when a Member State from the Baltic Sea Region upholds the EU Presidency, it becomes a natural leadership of the EUSBSR parallel to their preparations (Personal interview, 30 April 2013). Nevertheless, it was still a lack of interests from the Member States to take on greater leadership responsibilities in a kind of EUSBSR Presidency. That was understood as something problematic and adds another layer to the possibilities of the Commission to pass over their present responsibilities.

## 6.2 The path dependent leadership role of the Commission

In the first Action Plan for the EUSBSR there were a lack of clear role divisions for the stakeholders, nevertheless, quite early in the process it became obvious that there was a need of the Commission to take greater responsibility for the lead of the strategy. Previously I have given an account of a Commission which wanted to act as a McKinsey consultant when setting up the Strategy and then passing over the lead of the Strategy to the stakeholders (Personal interview, 15 March 2013), however, it did not come as a surprise that the Commission was expected to take a lead in the coordination of the strategy. Though, "how extensive that role would be has always been a subject of negotiation. It is not a question being solved once and for all but rather an ongoing process where the Commission wants to pass over responsibility on the Member States while these want the Commission to keep staying involved" (Personal interview, 29 March 2013). Nevertheless, applying the path dependency theoretical framework to that discussion implies that even though it is a continuous issue of negotiations the Commission will face difficulties leaving its present responsibilities. In a path dependent process, the probability of further steps along the same path increases with each move down that path; to put it a different way, the costs of exit of switching to some previously plausible alternative rise (Pierson 2000:252). In that sense, the longer the Commission upholds its leadership role in the EUSBSR the more difficult it would be to switch to another leadership structure. In other words, that continuous discussion as

referred to (Personal interview, 29 March 2013) will not necessarily lead to a favorable solution for the Commission, especially not over the passage of time.

In the revision of the Action Plan, finalized in 2013, the responsibilities got formalized and may therefore have put an end to the continuing discussions on the responsibilities of the Commission. On the other hand, the Commission is nevertheless trying to escape this formalized responsibility. In relation to this, they may have encountered problems in line with “the critical feature of path-dependent processes is the relative ”openness” or ”permissiveness” of early stages in a sequence compared with relatively “closed” or “coercive” nature of later stages” (Mahoney 2003; Abott 1997). Meaning that it may have been easier to leave its responsibility at an earlier point in time and the reactions came accordingly. The metaphor of “openness” and “closed” nature of the processes indicates the difficulties of the Commission to “escape” its role at the later stages in the process. In that sense, the development phase of the EUSBSR is characterized by more openness while, the second phase, the implementation of the EUSBSR, is more closed in its nature. Accordingly, the longer time it takes for the Commission to find a new leadership solution, the more difficult it will be for them to leave that role.

Naming this section the path dependent leadership of the Commission refers to a leadership they can't escape. The institutional setting of the Strategy was in a kind of vacuum and therefore in a need, already since the beginning, of the Commission to take a leadership role within the EUSBSR. Now, in the revision of the Action Plan, for the first time the responsibilities were clearly defined and having already started walking down the “path” of the EUSBSR, with all the structures in place, it may be far too late for the Commission to think that they can leave this responsibility easily. One way of succeeding to diminish Commission's present tasks would be to limit its roles and responsibilities in the Action Plan (European Commission 2013), however, once the responsibilities would be omitted it does not necessarily mean that they would have a less responsibilities in practice. Especially since the case it is opposite today, they have more responsibilities than what is regulated. Moreover, in line with the path dependency theoretical framework, a request for diminished leadership role may draw the attention and the stakeholders may act as a guarder of the EUSBSR and, consequently, the Commission can be “brought back” to its previously expected role.

### 6.2.1 The aspect of time and path dependency

The aspect of time could be linked to leadership theory in the way that the leader is expected to point the direction for the future of the Strategy and the lack of such role could imply unclarity for the future development. In addition, as presented previously, time is a factor that, in line with the 'path dependency' theory, complicates vast structural changes along the passage of time. Since the DG Regio thinks that they have fulfilled their role and would like to pass over the coordination role, this might, in itself, influence the leadership and possible future solutions. Jean Marc Venineaux (Personal interview, 4 April 2013) pointed out that the sooner we can prove good results the faster we can find a structure or a stakeholder which is ready to take over the lead. On the opposite, the longer it takes to prove good results the longer time it will take to find someone who would be ready to "stand up" for the Strategy and say: - look what we have done! This quote was worth repeating since it gives an insight in one crucial point of the leadership complexities. On the other hand, the longer time the present Strategy and leadership structure is in place the more difficult it will be to leave the present responsibilities.

The aspect of time could also be linked to 'path dependency' in the way that the weaknesses in the institutional setting and problems to solve these could lead to a more inefficient Strategy and less support in itself. Eric Kieslow (Personal interview, 22 March 2013) pointed out that in the preparations for the Swedish Presidency and the adoption of the EUSBSR clear aims and targets as well as a dedicated budget was avoided in order to be sure that the European Council would adopt the strategy. Today, we may face the consequences of these decisions for a non-imposing Strategy in a way that the initial institutional setting, developed path dependently, is not easily changed and may be related to the complexities today.

## 7. POLITICAL COMMITMENT AND PRESTIGE

The research question is: *How does the Commission consider and handle its leadership role in the EUSBSR?* In order to answer that question there are a number of factors at play. The political prestige of the Commission, as well as of the Member States, has, during the interviews, appeared as an important part of the EUSBSR leadership puzzle. The ‘path dependency’ theoretical framework will be applied.

### 7.1 The political prestige of the Commission

An important aspect when considering the approach of the Commission towards the Strategy and the relevance of its success may be related to the amount of political prestige that they have invested in the strategy. When asking Erik Kiesow about invested political prestige in the EUSBSR he states:

“Oh, yes the Commission has passed beyond the point of no return. They themselves have brought the forms of macro-regional strategies in its legislative proposals for regulations for structural funds and investment funds, and that's huge sums...so the EU has really invested political capital when they themselves have done part of the *acquis* so they won't be able to back out” (Personal interview, 30 April 2013).

That is an interesting account of the role of the Commission within the Strategy and adds another layer to the previous picture. The invested prestige in the EUSBSR may have made them concerned about its success and therefore as well in arranging a functional replacement solution. In other words, this indicates greater importance to find an effective solution proving results rather than an immediate solution for the Commission to pass over their leadership responsibilities. It is of importance to stop and reflect on the meaning of Commission's ‘point of no return’ as referred to previously. Generally understood, the ‘point of no return’ is the point beyond which one must continue on his or her current course of action because turning back is, in some sense, physically impossible; a particular irreversible action. A definition is “a point at which an irreversible commitment must be made to an action, progression, etc.” or “a point in a journey at which, if one continues, supplies will be insufficient for a return to the

starting place” (Collins Dictionary, retrieved 21 May 2013). Interestingly, the definition lies close to the understanding of the ‘path dependency’ where walking down the selected path continuously complicates the return, while the defined concept refers to a certain point at that path when there is lack of supplies for a return to the starting place.

When asking Anders Lindholm about the present responsibilities of the Commission he states that the present responsibilities are at a decent level but that in the medium term they will want to diminish their role. On the other hand, he continues, DG Regio is sometimes questioned and considered as too technical but in EUSBSR they got to work directly with challenges and solutions in the region and are credited for their work so in this sense it gives political prestige (Personal interview, 29 March 2013). The positive feedback to their work indicates Commission’s political prestige within the EUSBSR, along with their political capital invested in the legislative framework for the macro-regional strategies. Finally, when the Commission has invested political prestige within the EUSBSR it goes hand in hand with requests for positive results of the Strategy. A DG Region official gives an account of the future of the EUSBSR stating that without a leadership solution for the EUSBSR there is a risk that nothing changes at all. In such a case there will be a delicate issue and a big risk of being criticized but it would also give the evidence that the Strategy is not very useful (Personal interview, 4 April 2013). That account indicates a quite complex, and prestigious, position of the Commission within the EUSBSR.

## 7.2 The political prestige of the Member States

The Commission is, nevertheless, not the only one with political prestige invested in the European Union Strategy for the Baltic Sea Region. The Member States are dependent as well on a successful EUSBSR for a number of reasons.

To begin with, Sweden that held the Presidency during the adoption of the Strategy may be the Member State with most political capital invested in the Strategy. Erik Kiesow from the Swedish Cabinet Office, gives an account of a lengthy process with many persons involved in the development of the EUSBSR. Consequently, he states that it exists a responsibility towards these people in the region. Continuously, for that reason, the Strategy must be given a chance to be accomplished and it must be ensured that the adequate resources are in place in order to pursue what is undertaken in the EUSBSR (Personal interview, 22 March 2013). To be

responsible towards the Baltic Sea Region network indicates a prestige invested in the cooperation and a responsibility towards the stakeholders contributing to the development of the EUSBSR.

During the Presidencies of the Member States from the region there has been prestige invested in their work for adoption or revision of the EUSBSR and the Action Plan. A stakeholder involved in the EUSBSR for many years states that the Member States have invested political prestige in the EUSBSR, especially during their Presidencies. Continuously, political prestige from Sweden was invested during the adoption and from Poland during the revision process, as well as from Denmark. Finally, it is stated that Lithuania, Germany and Finland took a joint responsibility of the EUSBSR during their Presidency or within the CBSS so their political prestige is invested in the EUSBSR (Personal interview, 3 May 2013). At the first place there may be a kind of pressure from the region to select the EUSBSR as a prioritized issue, however, that cannot be investigated here. Secondly, once choosing the EU Strategy for the Baltic Sea Region as a prioritized area during the EU Presidency prestige is invested and there is a strive for results of their work.

### 7.3 We cannot let it die; we have to solve the leadership issue

At this point, it may be suitable to connect the discussion of political prestige to institutional theory in order to gain a perspective on the present leadership issues within the EUSBSR. In a following section, this will be completed with 'path dependency' analysis.

While the rational institutionalism approaches focus mainly on what determines the choice of a particular institution and is expected to serve the interests of those who created it; the institutional development theory supports the claim that a particular institution exists because it serves as an effective response to some kind of societal problem (Pierson 2004:104-5). The latter theoretical approach, namely, that an institution exists to solve mainly environmental, but as well societal problem in the Baltic Sea Region, is the starting point for that analysis in this thesis. The vast number of soft-power Baltic Sea Region organizations at place previously in the region and the notion that EUSBSR was set up partly to serve as an overarching framework for these ones supports this standpoint. Moreover, the aim of the cooperation is

summarized in the introduction to the Action Plan for the European Union Strategy for the Baltic Sea Region opens by the words (European Commission 2013):

*An integrated framework that allows the European Union and Member States to identify needs and match them to the available resources by coordinating of appropriate policies, thus enabling the Baltic Sea Region to achieve a sustainable environment and optimal economic and social development.*

These words support the standpoint that EUSBSR is a cooperative framework that exists to meet the challenges of the region in an innovative way. Therefore – interestingly – EUSBSR has the right to exist as long as these societal problems are unsolved. It has the right to exist independently even though it does not serve the interests of the Member States. In other words, independently of political prestige of the Member States and the Commission it has the right to exist. The real threat to the cooperation would rather be lack of efficiency in meeting the problems in the Baltic Sea Region. In that sense, a precondition for existence of EUSBSR is results and not necessarily satisfied stakeholders. The answers from the interviewees differ to a great extent on the question about the future of EUSBSR, however, Erik Kiesow stands out in a sense that he states that the EUSBSR have not, by its own right, the right to exist. Once the Strategy has fulfilled its aim it should cease to exist, however, not before the end of the next program period 2013-2020 (Personal interview, 30 April 2013).

According to the ‘path dependency’ theoretical framework the setting up of EUSBSR, in itself, initiated a process possibly difficult to reverse. In addition, the Member States and the Commission have continuously invested political prestige within the cooperation. Anders Lindholm gives an account of a Commission who would wait to resolve the leadership issue satisfactory before it withdraws from the present responsibilities. He continues stating that the Commission does not want to leave totally but uphold a minor role and transfer the greater responsibilities to, for instance, Interact Point Turku or Baltic Sea Program. There are different leadership possibilities that the Commission consider all the time (Personal interview, 18 March 2013). The lack of rush for a new leadership structure may indicate an interest in upholding good results in the EUSBSR, possibly related to the political prestige invested in the cooperation. The Member States have indicated a limited interest in taking a greater responsibility for the EUSBSR, however, due to the political prestige invested in the EUSBSR. In case of a serious threat to the cooperation, there may be a greater numbers of “volunteers” to save the EUSBSR.

## 7.4 Political commitment of the Member States

The political commitment is a crucial concept in the EUSBSR, maybe the most important and especially the lack of political commitment of certain actors according to the Commission (European Commission 2012). A DG Regio official states that at the time of the adoption and in the beginning of the EUSBSR implementation very high level commitment was visible. Today it seems to be difficult to convince a specific minister to take EUSBSR action, however, there is a need to avoid the situations of a more verbal commitment than a real one (Personal interview, 15 March 2013).

To maintain high-level political commitment the Strategies' outcomes need to be clearer at both national and EU level. Strategy considerations should be reflected in budget and other discussions. Political commitment must be translated into administrative commitment, with sufficient staffing and a continuity of the personnel (European Commission 2012). These are examples of concrete solutions to the lack of political commitment of some EUSBSR Member States, however, it is also possible to limit the ambition of the cooperation. According to a DG Regio official it is crucial to make sure that the stakeholders are seriously committed and, if not, there may be a need of a serious discussion on how to change the Member States' role to make it more fitting to their demands (Personal interview, 15 March 2013). The issue of political commitment appears central in the leadership dilemmas of the EUSBSR in the sense that when the Member States do not fulfill their obligations, the Commission needs to cover up for them.

It is as well a question of the stakeholder's approach towards the cooperation, in that sense, the implementation depends on the persons and institutions behind. In the implementation, Baiba Liepa gives an account of quite a lot of stakeholders waiting for the guidance from the European Commission, however, the Commission is not in a position to give guidance on such practical issues (Personal interview, 23 April 2013). This account indicates another leadership dilemma at place in the EUSBSR where they are waiting for the "other" to conduct the implementation, or at least tell them what should be done.

As a conclusion, and an indication for the future of the governance and implementation of EUSBSR Bengtsson(2009:7) states that:

“the Commission toolbox is worryingly empty – it remains a key challenge to make the visions of the strategy operational. In addition, questions remain as to how the Commission is to monitor implementation and assure the future direction of the strategy, for instance in a situation where the political priorities on the union’s agenda are different from today. For a number of reasons, then, governance of the strategy will be difficult in the format now chosen.”

## 8. CONCLUSION

The purpose of this thesis was to examine the leadership role of the Commission in the European Union Strategy for the Baltic Sea Region in terms of its implications and, consequently, how they consider and handle this role.

The final chapter will sum up the findings and highlight how the theoretical framework was suitable for the analysis of the Commission's leadership role of a macro-regional strategy. Finally, I will suggest possible areas for further research of a leadership analysis of the EUSBSR.

### 8.1 The leadership role

This part of the analysis responded to the question of the Commission's leadership role in the European Union Strategy for the Baltic Sea Region. As shown in the analysis, there are a number of factors, of importance to bring up, in order to extensively cover the aspects of this role.

Considering the EUSBSR development process it reveals that the methodology in the making of the EUSBSR was at this time actually rather unusual in the context of EU which at that time primarily was the sole business of small groups of experts and civil servants and did not have very much input from the outside. The open consultations, involving all the stakeholders in the region aiming at tying together already existing interests, initiatives and projects was something new that placed Commission at a central position. The role of the Commission was unusual in the sense that they were working in a policy dialog directly with the stakeholders in the Baltic Sea Region and not conducting the regular monitoring of the treaty texts. Nevertheless, the Commission was considered neutral, trustworthy and was credited for their work in inclusive development process of the EUSBSR.

The role of the Commission, in the development of the EUSBSR, has been identified as an institutional entrepreneur. Institutional reform often creates collective action

problems. Therefore, in the construction of agreeable solutions of the EUSBSR a success factor was the access to multiple social networks. In this sense the Commission's position was strategic with a high level of access to the Member States and the stakeholders in the Baltic Sea Region. The interviewees pointed out that the Commission was the only actor being able to cope with that role; the only neutral representative.

The role of the institutional entrepreneur is freer than the mediator in the sense that they are under no obligation to act in a manner that will seem impartial to all the principals. They are not bound by a number of restrictions that normally constrain the mediators or other third parties. This sheds light on the freedom of Commission's position in the drafting process and, in addition, only when a proposal was considered to be very controversial the stakeholders reacted and proposed changes of the draft. Moreover, by its own nature such a process with a vast number of stakeholders is complex to influence.

As a final point, the discussion on Commission's role in the implementation of the Strategy is relevant in relation to the credited skills and status of the Commission, however, the economical and personnel resources are lacking in the implementation. There are only three people working at the Baltic Team at DG Regio and this, nevertheless, indicates in practice a difficulty to manage the EUSBSR.

## 8.2 How the Commission handle and consider the leadership role

There appears to be a misfit between the expectations of the Member States and the Commission's own view on their role and responsibilities within the EUSBSR which leads to a kind of leadership dilemma.

The Commission is the reluctant leader of the EUSBSR and is actually trying to relinquish their role in the Strategy, apart from the coordination of the Strategy in relation to specific policies. The Commission is the reluctant leader due to the need to conduct tasks that normally should be fulfilled by the Member States themselves. According to the Commission, they are not the leaders of the EUSBSR and, in addition, the lack of personnel resources and a legally binding framework makes it practically difficult to lead the Strategy at all. That is the first leadership dilemma of the EUSBSR.

The second dilemma is related to the request from the Commission to pass over some of their responsibilities to the Member States - the actual owners of the Strategy - while there is

a limited interest from the Member States to take a greater responsibility in the leading of the Strategy. However, the sooner the EUSBSR can prove clear and good results the sooner you will have Member States ready to claim the role, and consequently, the sooner the leadership structure will be solved. This is the dilemma of the EUSBSR leadership structure.

The Commission's EUSBSR leadership is characterized by a 'path dependent' development where the possibilities of switching the institutional setting diminish over the passage of time so, accordingly, the longer time it takes for the Commission to find a new leadership solution, the more difficult it will be for them to leave that role.

The political commitment and prestige of the Commission, as well as, of the Member States are, additionally, important factors of how the Commission handle and consider its leadership role. The invested prestige of the Commission, in the EUSBSR, indicates a concern of its success and therefore, as well, in the process of arranging a functional replacement solution, rather than simply solving it as soon as possible. Political prestige of the Member States is invested in the cooperation; they are responsible towards the stakeholders contributing to the development of the EUSBSR. Moreover, during the Presidencies of the Member States from the region there has been prestige invested in their work for adoption or revision of the EUSBSR and the Action Plan. Secondly, once choosing the EU Strategy for the Baltic Sea Region as a prioritized area for their EU Presidency, prestige is invested and there is a strive for results of their work. The invested political prestige indicates that the EUSBSR leadership difficulties need to be solved. According to the 'path dependency' theoretical framework the setting up of EUSBSR, in itself, initiated a process possibly difficult to reverse and, in addition, the Member States and the Commission, along the way, invested political prestige within the cooperation. Therefore it needs to be revised from within the existing structures and a key issue to solve is how to cope with the varying political commitment of the Member States.

### 8.3 Final reflections and further research

The thesis should be considered as an attempt to further the leadership analysis within the EUSBSR building on previous research and thus hoping to make a valuable contribution to this field. To conclude, one of the things that this thesis has attempted to show is the benefits of applying 'path dependency' as an analytical tool for the understanding of the leadership

dilemma at place in the EUSBSR,as well as the benefits of applying the institutional entrepreneur leadership theory on the development of the EUSBSR. Together, these theoretical perspectives have formed a nuanced analysis of the leadership of the EUSBSR in general, as well as of the existing leadership complexities. Therefore, it is highly relevant for scholars interested in the leadership of European Union Strategy for the Baltic Sea Region to turn their attention towards theoretical models that link these theoretical perspectives in order to extend the present limited EUSBSR leadership studies.

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