EU strategy for the Baltic Sea region: challenges and perspectives of international cooperation
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This article describes the main characteristics of international cooperation in the Baltic Sea Region (BSR) within the framework of the EU macroregional strategy. The analysis of the key directions, structure, and the Strategy implementation mechanisms demonstrates its experimental and innovative nature. At the same time, the authors identify problems and contradictions in the very idea of the Strategy, as well as its actual implementation in intergovernmental relations of the BSR countries. The main factor hampering the Strategy activities is ignoring the key role of Russia the BSR. At the same time, Russia and some non-BSR countries are already members of all significant BSR cooperation instruments. Therefore, there is a need to supplement the EU Strategy for the Baltic Sea Region with the Northern Dimension project. The innovative nature of macroregional cooperation in the Baltic Sea region is manifested in interpreting the region as an invisible whole rather than an administrative unite serving as a platform for various cooperation programmes implemented in its different parts. From this point of view, the Strategy for the Baltic Sea region, apparently inspired by 'rational functionalism', can assign a new meaning to the concept of the region.

Key words: the EU Strategy for the Baltic Sea Region, Northern Dimension, region, macroregional cooperation

Recently, Baltic Sea states have been cooperating not only in the traditional framework of bilateral relations and decades-old organisations and programmes, but also within the first EU macroregional strategy developed for this region. Being an innovative and, to a large degree, experimental project, the EU Strategy for the Baltic Sea Region (EUSBSR) [11] is of particular...
importance for Europe. It is innovative, since the Strategy is managed at the transnational rather than the regional level (‘a Europe of regions’) and it strives to involve non-EU countries in the process (the European Neighbourhood Policy). The very fact of EUSBSR’s existence stresses the need for the gradual development of a new level of the EU administration between the levels of a nation-states and the European community.

The EUSBSR is experimental due to the special geopolitical status of the Baltic Sea region — a post-Cold war success story of European integration. After the Berlin Wall fell, most Baltic Sea countries were beyond the borders of the European Union. Out of seven coastal states, only Denmark and West Germany were members of the EU. Two decades later, the geopolitical situation changed drastically. Eight of nine coastal states are members of the EU — Denmark and Germany were joined by Sweden, Finland, Estonia, Latvia, Lithuania, and Poland. Two other states involved in Baltic cooperation — Norway and Iceland — are partly integrated into the EU (among other things, in the European Economic Area and the Schengen Agreement). Thus, the Baltic Sea almost became a territorial sea of the European Union with the only — yet important — exception of Russia. The Russian Federation and its exclave city of Kaliningrad, being an integral part of the Baltic Sea region, will remain outside the EU borders in the foreseeable future. Russia’s hybrid role as a participant in regional cooperation and a country neighbouring the EU is turning EUSBSR in somewhat of a border between the internal and external policies of the European Union.

The Europeanisation of the Baltic Sea is a result of regional cooperation, which developed independently from the EU. This cooperation led to the emergence of such a great number of transnational networks, organisations, and institutions that listing all of them would be complicated even for a specialist. A wide variety of forms of cooperation became a real strength of the region, which has a reputation of a transnational cooperation laboratory. Moreover, this diversity was often perceived by local actors as a weakness, since cooperation lacked a common purpose or mission. In the 1990s, this mission was just a declaration. It embodied in supporting eastern Baltic Sea countries in their transition from authoritarianism to democracy and from a planned to a market economy. When the Baltics and Poland accessed to the EU and NATO in 2004, this mission was almost completed. Cooperation in the Baltic Sea region reached its high point but lost momentum. It fell victim to its success. Looking for a new mission, regional cooperation entered the stage of stagnation.

The EU Strategy for the Baltic Sea Region (EUSBSR) developed against this background. This idea was first formulated in the end of 2005 in the European Parliament by the Baltic-Europe intergroup — an informal association of EP members led by the British conservative politician Christopher Beazely [6]. At first, this initiative did not produce a positive reaction, although it was supported by a resolution adopted by the EP in November 2006 [13]. However, during their EU presidency in 2006 and 2007, both Finland and Germany were reluctant to further the issue. Only the Swedish government raised it for discussion prior to the country’s 2009 presidency.
In December 2007, under the pressure from Sweden, the European Council agreed as follows: ‘The strategy should: i) be without prejudice to the Integrated Maritime Policy (IMP) endorsed in the same conclusions; ii) inter alia help to address the urgent environmental challenges related to the Baltic Sea; and iii) the Northern Dimension (ND) framework should provide the basis for the external aspects of co-operation in the region’ [20, p. 16].

The European Commission delegated the preparation to the Directorate-General for Regional and Urban Policy (DG REGIO). The Directorate headed a permanent committee, which also included the Directorates-General for Maritime Affairs and Fisheries (DG MARE), Environment (DG ENV), and the External Relations (DG RELEX). In total, the process of EUSBSR preparation involved 19 Directorates, which was a serious test for the European Commission. EUSBSR public consultations started officially at the Stakeholder Conference in Stockholm on September 30, 2008. Prior to this event, the European Commission had published a working paper, which identified the key priorities of EUSBSR — environment (‘to enable a sustainable environment’), economics (‘to enhance the region’s prosperity’), infrastructure (‘to increase accessibility and attractiveness’), and security (to ensure safety and security in the region) [16].

In the months to follow, round tables focusing on each priority were held. The final stage of the consultation process was the second Stakeholder Conference, which took place in Rostock on February 6, 2009. In Rostock, the European Commission presented a preliminary list of possible actions for the EUSBSR. An action plan was devised in March. Consultations between different Directorates and EC Directorates and Services took place in April and May. In June 2009, the Commission adopted the final variant, which was submitted to the European Council as a communique. The Council, in turn, made the final decision approving the Strategy in December 2009 [9].

When analysing the Strategy preparation, it is important to consider three aspects. Firstly, the fact that the Strategy was outlined by the European Council largely affected the nature of ensuing discussions. The EUSBSR text approved by the Council contains two important elements. The first one is the focus on environmental problems, especially navigation-related ones. The other is that the Baltic Sea is perceived as a territorial sea of the EU. Therefore, external relations have to be tackled within the Northern Dimension. The Council also calls for an effective division between the internal and external policies [7, p. 443]. It is of interest that such interpretation contradicts the established practices of solving the most acute problems of the Baltic Sea, including the environmental ones and those associated with transnational and transboundary maritime traffic. These problems concern non-EU member states by default. Moreover, this position of the European Council differs drastically from that formulated in the EP resolution outlining a Baltic Sea Region Strategy for the Northern Dimension and stressing that one of the resolution’s objectives was to ‘support the Northern Dimension policy by defining the Baltic Sea region as one of the main priority ar-
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eas’ [13]. As one can see, the European Parliament associates the EUSBSR with the Northern Dimension in several aspects, whereas the European Council and Commission emphasise the difference between the Strategy and external cooperation.

Secondly, it is important to consider the differences in administrative structure. The European Commission proposed a strategy designed to coordinate the existing strategies and to monitor and review their progress, needs, and problems, striving to retain the initial impetus of the Action Plan. Moreover, the Commission supported minimising the number of institutional mechanism and avoiding additional funding of the EUSBSR. The resolution called for a different solution — holding an annual Baltic Sea states’ summit prior to the summer session of the European Council and expand regional organisations within and beyond the EU system. The Parliament stressed that the Strategy could be financed as part of the European Neighbourhood and Partnership Instrument, thus considering the Strategy an element of the Union’s external policy. Therefore, the Parliament saw the EUSBSR as a more ambitious action plan than the Commission did.

Finally, the third important component was the efforts taken to improve the Strategy. The public consultation process, which took place from August 2008 through September 2009, was meant not only to contribute to improving the Strategy but also to simplify the process of its approval. Consultations brought together states, regions, non-governmental and international governmental organisation, and individual citizens. A total of 109 written and oral proposals were made at the two Stakeholder Conferences (in Stockholm in August 2008 and in Rostock in February 2009), at the youth conference and Hamburg, and during the Internet forum held in November-December 2008. Consultations resulted in formulating basic positions shared by most participants:

— the absolute need for a strategy for the Baltic Sea region;
— the need for an integrated approach for securing results;
— importance of the EC’s contribution to the development of the Strategy;
— a focus on concrete projects for yielding tangible results,
— the lack of the need for new institutions given a significant number of existing organisations,
— ambition to leave behind hollow statements and work with the leading countries to achieve concrete goals within a specified time.

What was the final result? Firstly, it is important to stress the Strategy’s concern with a better coordination of existing regional cooperation forms. The Strategy does not propose any new cooperation schemes (however, it emphasises that a better distribution of funds and initiatives will stimulate activities in the region). A major consideration is that an integrated approach is necessary to ensure the sustainable development of the region. These problems are interrelated, whereas the existing cooperation plans are not sufficiently coordinated. This creates an opportunity for functional improvement in the framework of the current institutions, policies, and financial resources.
The Strategy [11] identifies four pillars that either pose a serious threat or are associated with untapped potential:

1) improving the environmental conditions of the Baltic Sea (the whole region);
2) contributing to a more balanced economic development in the region;
3) making the region more accessible and attractive;
4) contributing to safety and security.

These four pillars are divided into 15 priority areas. The idea is to formulate concrete objectives and appoint EU member states responsible for achieving them. A total of 76 initiatives were proposed. Each initiative contains concrete projects specifying prospective lead partners, targets, and reporting periods. As to the methods, the European Commission issued a list of priorities as a living document subject to continuous updates. The logic behind it suggests that for a macregional policy to be effective it should be flexible enough to adapt to new circumstances.

Indeed, as the practice shows, the EUSBSR is a living document, which is continually edited and updated to increase its adaptability to changing external and internal conditions. On the one hand, it suggests specifying goals and objectives. In the first half of 2012, under the Danish presidency, three major goals were formulated for a more effective implementation of the Strategy [11]:

— saving the sea,
— increasing regional cohesions,
— securing prosperity.

On the other hand, the Strategy encourages a constant search for a more efficient mechanism to manage cooperation within the EUSBSR, since the Strategy’s implementation is associated with a number of urgent political and administrative problems.

It is important to take into account that, when devising the EUSBSR, the EC strived to take into account proposals made by different political actors during numerous consultations. As a result, the final version of the document, which mostly meets public expectations, turned out to be too broad, complicated, and often vague. Striving to credit all participants in regional cooperation, the Commission often merely renamed existing initiatives and projects, which undermines the initial intent to give new impetus for stagnating cooperation in the Baltic Sea region through providing a clearly formulated, coordinated, and action-oriented strategy. Therefore, it could be logical to create an abridged version of the EUSBSR containing a short list of the most significant projects. However, projects have to be short-listed by not only the Commission but also their immediate participants, which, being part of the Strategy will have to sacrifice or at least moderate their individual interests. In large states, such as Germany and Poland, it relates to managing relations between the centre and regions and harmonising transnational and EU interests in the Baltic region.

Unlike the political content of the EUSBSR, particularities of project management remain unclear. The only thing that was formulated explicitly is the intent to implement the Strategy using a continually updated action plan without a specified implementation period.
The idea of the European Commission to implement the Strategy using a continually updated action plan was strongly supported during consultations. In particular, the stakeholders unanimously approved of the proposal suggesting that each priority action should be described through identifying 1) relevant measures; 2) time frames; 3) financial instruments; 4) responsible actors. Another popular idea was introducing a fifth element — monitoring success through measuring results. Thus, it was suggested to develop a system of parameters and standards to monitor the progress [21].

It was also proposed to include the most effective solutions in different areas into annual Strategy reports. Most stakeholders agreed that the action plan had to be regularly monitored, revised, and edited.

There is certain vagueness about the management mechanisms, which is most probably accounted for by basic contradictions. Firstly, there is a need for actors of all levels (national, regional, and local) and all sectors (private and public) to participate in the Strategy implementation. At the same time, some stakeholders call for ‘strong leadership’ and ‘top down’ management, which would ensure an effective implementation of the action plan. The most probable leader is the European Commission, although it sees itself mostly as a mediator.

The second set of management problems concerns institutionalisation. Support for the existing Baltic Sea region cooperation institutions was voiced during consultations. Almost all stakeholders believe that the EUSBSR strategy should be implemented by the existing regional organisations. The Helsinki Commission (HELCOM) and the Council of the Baltic Sea States (CBSS) are expected to play an important role in the future, since they made an important contribution to the preparation of the Strategy. Nevertheless, the stakeholders called for reforming the institutional network. Sometimes, the EUSBSR is considered as an opportunity for regional organisations to revise their goals and priorities and ensure a better coordination of their actions. In other words, ‘everyone must not do everything’, as it was put in the final document of the Baltic Sea Parliamentary Conference [12].

There are different perspectives on the desirability of institutional reforms. A number of stakeholders, including the federal and state governments of Germany oppose the idea of creating new institutional structures stressing the risk of duplication of responsibilities. However, a simple majority of stakeholders supports institutional innovations.

It is worth stressing that the European Commission launched this discussion through proposing public consultations to create a structured and sustainable forum, which would include coordinated decision-making mechanisms. This idea was highly appreciated by the Polish government, which believed the establishment of a EUSBSR forum to be instrumental in bringing together national, regional, and local authorities, and social partners. Local Government Denmark, an organisation of Danish municipalities, also supported the idea of a new discussion forum for decision-makers, which would monitor the EUSBSR. The most far-reaching proposal was put forward in the joint document prepared by six organisations (the Baltic Sea States Subregional Co-operation, B71, Euroregion Baltic, the Conference of

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1 B7 is seven largest islands in the Baltic Sea belonging to five countries.
Peripheral Maritime Regions of Europe, and the Union of Baltic Cities) [7]. These organisations suggested creating a new ‘governance model’ that would include two main bodies: a Baltic Sea forum and a decision-making body. A forum was to become a platform for consultations open to anyone interested in the Baltic cooperation, including non-EU actors. A decision making body — bringing together elected representative from national, regional and local levels — had to monitor the progress in Strategy implementation. Both bodies were to be headed by the European Commission.

As a result, a compromise was reached — the EUSBSR fora have been held annually in various Baltic EU member states since 2010. At the fora, politicians, experts, academicians, journalists, NGOs, and other stakeholders discuss a wide range of issues pertaining to regional development. The host party prepares a final report outlining the results of discussion and containing remarkable proposals and recommendations.

The implementation of the EUSBSR necessitated not only adapting goals and objectives to each stage but also improving their practical execution. On September 10, 2015, a new plan covering 13 priority areas and four horizontal actions was presented to the European Commission. Special attention was paid to simplifying the implementation of flagship projects and increasing the role of regional organisations. Each cooperation project was to be supervised by an EU member state, regional organisations, business associations, or NGOs responsible for coordinating relevant actions [4].

Another focus was attracting new participants and creating a favourable public image of the EUSBSR projects and programmes. This was attained through a thought-through public campaign. A good example is A Beginner’s Guide to the Baltic Sea Region Strategy published by the Swedish Agency for Economic and Regional Growth (Tillväxtverket) [3].

Financing has been one of the key issues at all stages of the EUSBSR development, approval, and implementation. Relevant discussions are dominated by two central ideas. Firstly, the Strategy has to be financed from all possible sources — the EU, member states, international financial institutions, and private funds. Secondly, it is necessary to improve the mechanisms for coordinating different financial instruments, i.e. increase their efficiency and effectiveness. The EP’s request to allocate a special budget line for the Baltic region strategy was supported by the governments of Poland and Lithuania [7, p. 448]. However, most stakeholders concur with the European Commission insisting that the Strategy should be financed using existing channels. Thus, the idea of a new budget line for the Strategy was shelved. Instead, it was suggested to concentrate on the proposition made by Sweden and the BaltMe corporation to ensure the transparency and accountability of financing. A decision was reached to draw up ‘somewhat of a budget’ — not a budget in the strict sense but rather a balance sheet listing sources of financing and uses of funds.

Despite the general concurrence regarding the limited funds, this does not mean that there are no opportunities to attract additional resources. For instance, the Swedish government deemed it necessary to draw particular attention to sources of funding that had not been mentioned earlier in the context of the EUSBSR. Primarily, it concerned the decision of the Nordic Investment Bank (NIB) to establish a department for financing environ-
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ment initiatives in the Baltic Sea region to facilitate the implementation of the HELCOM Action Plan. The European Neighbourhood Investment Fund, which supports investment in large infrastructure projects to a much greater degree than the earlier EU mechanisms did, was mentioned as another possible source of financing.

Despite the obvious success of the EUSBSR, it is becoming clear that the Strategy is not immune to either intra- or extra-EU or problems and disagreements. The two central problems are managing the Strategy implementation and developing relations with Russia.

There is no doubt that the EUSBSR gave additional impetus to cooperation in the Baltic Sea region. However, numerous issues, relating primarily to political leadership, financing, and decision-making, remain unresolved. The European Commission, which was expected to play the leading role in managing the Strategy, is overloaded with crisis phenomena occurring in the EU and is incapable to monitor macroregional programmes. This accounts for the propensity to delegate responsibility to states interested in regional cooperation. Certain steps have already been taken but the Commission is still convinced that the Baltics have to be more active in coordinating priority areas, assuming leadership in horizontal actions and flagman projects, etc. [8]. In particular, they are very reluctant to spend moneys received from EU structural funds to attain goals formulated in the EUSBSR, to say nothing of national resources for stimulating transboundary cooperation. There are doubts over the commitment of the Baltics to the ideas formulated of the EUSBSR or, at least, the countries’ readiness to sacrifices national priorities.

At the same time, it is important to consider the concerns of the Baltics about the increasing bureaucratisation of the EUSBSR. Growing requirements for document management and complications associated with their approval reduce the efficiency of actions. This can be easily explained, since commitment to the three no’s principle (no new funding, no new legislation, and no new institutions) was declared in the very beginning. In other words, the only was is to deal with the existing resource and legal and administrative frameworks, which do not always consistent with the new objectives. It is not a coincidence that this issue is the focus of heated discussions initiated, in particular, by the Baltic Development Forum [8].

However, the key question is what the ultimate goal of the EUSBSR is — the EU assuming control over cooperation in the Baltic or a new impetus to the European macroregion, which would use its own resources to develop cooperation between all (including non-EU) stakeholders?

Despite its attractiveness, from the very beginning, the EUSBSR raised certain doubts over its external component, since it almost completely ignored Russia as a key factor of the Strategy’s potential success at either the development or the implementation stages. Moreover, all the other significant Baltic cooperation institutions include Russian and other third countries.

A Conclusion issued by the European Commission in December 2007 contains the only phrase mentioning the EU as a factor of the EUSBSR administration: ‘The Northern Dimension framework provides the basis for the external aspects of cooperation in the Baltic Sea Region’ [10]. This phrasing stresses the difference between the external and internal dimensions of cooperation in the Baltic, which did not take place earlier, at least in the frame-
work of institutional design. The need to integrate Baltic cooperation into the macroregional EU strategy raises the question as to whether (and how) third countries can participate in this cooperation. This concerns not only Russia but also, to a degree, Norway and Iceland, Ukraine and Belarus — countries situated in the Baltic Sea basin and thus involved in certain, primarily environmental, aspects of cooperation.

Most stakeholders welcome the idea of making the Northern Dimension (ND) an external foundation of the EUSBSR. At the same time, German and Danish governments, stressing the intention to involve Russian into regional cooperation, avoid providing direct support for using the ND to this extent. Only the Baltic Institute of Finland consider the ND as unsuitable for the Russian dimension of the EU policy in the Baltic Sea region, since it is incapable of covering the whole range of cooperation problems in the Baltic Sea [10]. In effect, the ND comprises two types of partnership — in environmental protection and healthcare. Today, partnerships in transport and logistics are being forged [1]. Cooperation with Russia and other third countries takes place either in the framework of such organisations as the Council of Baltic Sea States and HELCOM or beyond institutional frameworks, as it is the case with the European maritime policy. In the course of consultations, all stakeholders except for the Estonian government identified one or several cooperation priorities, where they deem Russian participation desirable or necessary [15, p. 87]. All these proposals pertain to 37 different problems suggesting Russian participation. These problems fall into all of the four pillars of the Strategy. This gives rise to a question as to how the gap between the desired and actual levels of the Baltic cooperation between the EU and Russia can be bridged. Although most documents avoid these issues, European analysts discuss the following approaches.

The first approach can be described as maintaining the status quo, since it is aimed at preserving the existing flexible architecture of cooperation in the Baltic Sea taking place within the ND and beyond it. An illustration of this approach is the position taken by the German government, which supports the idea of selective geographical limitations [15, p. 119]. Thus, some EU programmes can be open for third countries. For example, Mecklenburg-Western Pomerania proposed using such approach within the Europe for Citizens programme. This flexible approach has two advantages. Firstly, it can be adopted without significant institutional changes. Secondly, such non-Nordic countries as Ukraine and Belarus can be easily involved in cooperation. However, it is not compatible with the idea of turning the ND into the external foundation of the EUSBSR.

The second approach emphasises the regional dimension of subnational levels of cooperation between Russia and third countries. This is the idea formulated by six Baltic Sea organisations (the Baltic Sea States Subregional Co-operation, B7, Euroregion Baltic, the Conference of Peripheral Maritime Regions of Europe, and the Union of Baltic Cities), which suggests launching a special flagman project entitled ‘Incorporating the external dimension of the Baltic Sea’ [17]. The external dimension includes Russia, Ukraine, and Belarus and it is implemented by means of paradiplomacy focusing on subnational units — regions and cities. A considerable advantage of this ap-
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The novelty of the Baltic macroregional cooperation concept lies in a complex approach to regional development as an untied whole rather than an administrative unit serving as a platform for different cooperation schemes. This concept, being a product of rational functionalism, redefines the notion of the ‘region’. Whether the success of macroregional approach depends on the right economic and geographical balance of sources or it is shaped by a certain level of regional identity (cultural homogeneity) is still unclear. In the process of devising the EUSBSR, it was often stressed that the region could be somewhat of a test due to both its needs and problems and the high level of cohesion, common institutions, regional identity or, at least, cultural affinity. In other words, it has all the elements that, according to most scholars, embody the essence of a region and create favourable prerequisites for regional development.

References


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