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Blueprint for a Macro-Region

EU Strategies for the Baltic Sea and Danube Regions

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EU Strategies for the Baltic Sea and Danube Regions

The European Union is preparing to test a new political concept – the macro-regional strategy. The Baltic Sea Strategy was concluded in October 2009, and the Danube Strategy in June 2011. Both projects have awakened great expectations in the affected regions as well as among EU organisations in Brussels. The macro-regional strategies should not only serve to practically implement the objective of territorial cohesion introduced by the Lisbon Treaty and to bring about concrete improvements in a series of policy areas. In addition, they are selectively characterised as "pilot projects", "test cases" or "models" for the rest of the EU. In other words: the first EU strategies in the Baltic Sea and Danube regions are seen as a model experiment of macro-regional policy.

Macro-regional strategies relate to macro-regions. A macro-region can be understood as a greater region within the EU defined in terms of territory and function, in which a group of member states co-operate to achieve specific strategic goals. As a concept, the macro-region is innovative, because it is based on co-operation on a transnational level. As a result it exceeds the conventional framework of subnational or binational regional policy, but does not prioritise non-member states outside the EU. At the same time, the macro-region opens up new opportunities for co-operation among different actors across the EU's various policy levels. The macro-region can therefore not be adequately described within the context of either the notion of the "Europe of Regions" or the European Neighbourhood Policy. Instead, the Baltic Sea and Danube strategies could signalise that a new policy level is emerging within the EU, a level which is located between the nation state and the supranational community, and therefore further differentiates the multi-level EU system.

So far, however, this perspective does not seem to be backed by any real development, as the Baltic Sea and Danube strategies were designed based on the so-called "three no's". Macro-regional strategies should, firstly, make due with no additional money from the EU budget, secondly, with no new EU laws, and thirdly, with no new institutions. In the face of these restrictive guidelines, the question arises as to whether the macro-region model experiment can

really develop paradigmatic quality as the nucleus of a new political level within the EU. If one really wishes to arrive at an answer to this question, more precise information about the Baltic Sea and Danube strategies is needed. What indications exist within the still recent development of these macro-regions for the "three no's" possibly becoming "three yes's"? Alternatively, is it plausible that macro-regions can develop into a new and sufficiently well-defined policy level without financial, legislative and institutional reforms in the EU? If the Baltic Sea and Danube macro-regions are really to serve a model function for the rest of the EU, then it also needs to be determined whether the macro-regional concept is suitable to being expanded to the entire EU territory.

Comparative analysis of the Baltic Sea and Danube strategies shows that it would be premature to go ahead and immediately declare that the macro-region is a new intermediary policy level between the member state and supranational union. Nevertheless, the macro-region concept has a recognisable potential for development. While the "three no's" are not openly challenged, a growing readiness for "soft" reforms is evident, which could lead to legislative, budgetary and institutional changes on the EU level at some point – i.e. within a five to ten year timeframe. In the macro-regions, areas of increased co-operation stand out among core groups of member states, which could influence the EU as a whole without formally constituting an operational political level.

The macro-region model experiment in the Baltic Sea and Danube regions carries particular importance for Germany for two reasons. For one thing, the Federal Republic is the only EU state, which belongs within both macro-regions. It is also the only member state, whose participation in the macro-regional strategies is largely borne by sub-national actors, the federal states. This poses both opportunities as well as challenges for Germany's Europe policy. The most important opportunity entails a strengthening of the subsidiarity principle, in which the federal states take on a more active role in the multi-level political system of the EU. The associated challenge comes from the increased need for co-ordination in Germany's Europe policy, in a vertical sense between the Federation and the states as well as in a horizontal sense on the federal and state levels.

The recommendations that arise from the analysis of the macro-region model experiment are aimed first of all at fixing the most important deficits in the current configuration of the EU's Baltic Sea and Danube strategies. In terms of strategies, the macro-regional policy project continues to lack a clear connection between objectives and funds. With regard to the objectives, a performance review system with concrete guidelines and measurable indicators should therefore be established for both strategies. Currently, these sorts of benchmarks only exist in a rudimentary form. In terms of resources, consideration must be given to whether a type of "strategy budget" could be created. This would not represent an actual budget, but rather a sort of virtual balance sheet in which the funds coming together from various sources are recorded and compared with those funds used for implementing the strategy. By developing measurable targets and a virtual balance sheet, the possible success of the macro-regional strategies can be shown in an understandable manner and communicated to the general public.

With regard to its paradigmatic importance, the macro-region model experiment should be seen as a serious and promising effort to deepen co-operation in the EU over the long term without relying on further Treaty revisions. Within the EU, the dialogue about the experiences and results of macro-regional politics should also be intensified. Surprisingly, there has been hardly any exchange of experience of this type between the first macro-regions in the Baltic Sea and Danube regions. Forums and formats need to be created in order to bring together representatives of the existing macro-regions as well as potential future macro-regions. Germany can make a special contribution in this context when it begins its one-year chairmanship of the Council of the Baltic Sea States in mid-2011. The Federation and states should use this opportunity not only to push forward with the discussion about the still unclear role of the Council of Baltic Sea States within the context of the EU strategy. In addition, the relevance of the macro-regional concept for the whole EU needs to be examined, and a dialogue needs to be organised that includes all of Europe and focuses on the blueprint for a macro-region.

The Macro-Region as a New Operational Level within the EU

In October 2009, the European Union established its first macro-region with the Baltic Sea Strategy.[1] In June 2011, the European Council (EC) endorsed a second macro-regional strategy for the Danube region.[2] Meanwhile, additional initiatives have emerged for the creation of macro-regions. The governments of Italy, Slovenia and Greece have recommended building a macro-region in the Adriatic-Ionian Sea by 2014. This could be followed by additional macro-regions in the Western and Eastern parts of the Mediterranean.[3] The Committee of the Regions calls for a macro-region being created for the North Sea region including the English Channel.[4] Likewise, in the coastal region of the Atlantic Arc stretching from Southern Spain to Scotland, a macro-regional strategy is also being considered.[5] The mountain regions of the Alps and the Carpathians as well as the Black Sea are up for discussion as possible future macro-regions.[6] This demonstrates that the concept of macro-regional associations has garnered attention and awakened interest across the entire EU.

The development signals an impetus across the EU arising from the first two macro-regional projects in the Baltic Sea and Danube regions. The European Commission does not view them as purely "test cases" for the practical implementation of the objective of territorial cohesion within the EU, but rather "pilot projects", which, if successful, can be transferred to other cross-border regions within the Union.[7] In these strategies, the European Parliament recognises a "model for co-ordinating EU policies and funding in geopolitical territorial units".[8] In the Baltic Sea and Danube states, many actors also emphasise the experimental character of the macro-regional strategies and their possible model function for the rest of the EU.[9] In the face of increasing interest across the EU in additional macro-regions, the first EU strategies could, in fact, be understood as model experiments.

The term "macro-region" is defined neither politically nor under international law. In the political science research discourse over regions and regionalism, it only comes up sporadically.[10] The European Commission has occasionally used the term in the

1 European Council, *Conclusions of the Council*, Brussels, October 30, 2009, 15265/1/09 REV 1, p. 11; Esko Antola, *Political Challenges for the Baltic Sea Region*, Konrad Adenauer Foundation, London 2009; Pertti Joenniemi, *The EU Strategy for the Baltic Sea Region: A Catalyst for What?*, Copenhagen: Danish Institute for International Studies (DIIS), August 2009 (DIIS Brief); ibid., "The EU Strategy for the Baltic Sea Region – A First Step", in: *Baltic Rim Economies*, no. 1, 2010, p. 33; Fredrik Langdal, *An Evaluation of the Swedish EU Presidency: Difficult Setting, Pragmatic Style and Mixed Results*, Madrid: Real Instituto Elcano, February 3, 2010 (Análisis del Real Instituto Elcano [ARI] 28/2010); ibid. and Göran von Sydow (eds.), *The Swedish Presidency: European Perspectives*, Stockholm: Swedish Institute for European Policy Studies (SIEPS), December 2009 (SIEPS 2009:3op).

2 European Council, *Conclusions of the Council*, Brussels, June 24, 2011, p. 13.

3 Andrea Stocchiero, *The Geopolitical Game of the European Union Strategy for Macro-regions: Where Does the Mediterranean Stand?*, Rome: Centro Studi di Politica Internazionale (CeSPI), July 2010 (CeSPI Working Papers 74/2010).

4 Committee of the Regions, *A Strategy for the North Sea-Channel Area"*, Own-Initiative Opinion, October 5 and 6, 2010, COTER-V-006.

5 Compagnie Européenne d'Intelligence Stratégique (CEIS), *The Way Forward to a Future Strategy for the Atlantic*, Synthesis of the Breakfast Debate, Brussels, November 9, 2009; Anne-François de Saint Salvy, "Maritime Strategy: After Baltic Now Atlantic", in: *Europolitics*, November 3, 2009, www.europolitics.info/sectorial-policies/maritime-strategy-after-baltic-now-atlantic-artb 253346-10.html (retrieved on December 10, 2010).

6 Valentina Pop, "EU 'Macro-regions' Could Get Own Funding from 2014", in: *EU Observer*, October 7, 2009, http://euobserver.com/886/28787 (retrieved on December 10, 2010).

7 European Commission, *EU Strategy for the Danube Region. Scoping Paper for the Public Consultation*, Brussels, February 2, 2010, REGIO/E1/EN/NV/OB D(2010); ibid., *EU Strategy for the Danube Region: Frequently Asked Questions*, http://ec.europa.eu/regional_ policy/co-operation/danube/faq_en.htm (retrieved on August 2, 2010).

8 European Parliament, *Resolution on a European Strategy for the Danube Region*, Strasbourg, January 21, 2010, P7_TA(2010) 0008, Point C.

9 Cf. articles on the public consultations over the Baltic Sea Strategy at: http://ec.europa.eu/regional_policy/ consultation/baltic/contrib_en.htm; and on the Donau strategy at: http://ec.europa.eu/regional_policy/co-operation/ danube/documents_en.htm (both retrieved on October 28, 2010).

10 Björn Hettne and Fredrik Söderbaum, "Theorising the Rise of Regionness", in: Shaun Breslin et al. (eds.), *New Regionalism in the Global Political Economy*, London 2002, pp. 33–47 (with additional literature).

past, but apparently not with conceptual intent.[11] Discussion over the macro-region has really only arisen in the past years, and this was in connection with the continued development of EU policy in the Baltic Sea region. The previous European Commissioner for Regional Policy, Danuta Hübner, played a considerable role in popularising the term. In 2008, she began to regularly refer to the Baltic Sea area as a macro-region.[12] Subsequently, the term found its way into all relevant commission documents; at this point it is firmly anchored in the Brussels vocabulary.

The European Commission defines the macro-region generally as "an area covering a number of administrative regions but with sufficient issues in common to justify a single strategic approach."[13] This implies both territorial and functional components. In a territorial sense, the macro-region connects a group of member states. In the Baltic Sea and Danube regions, this applies to eight states, respectively (Table 1). In addition, there are a number of third states, which are likewise counted within the macro-region: three in the Baltic Sea region and six in the Danube region (Table 2, p. 10). The fact that the Commission refers to "administrative regions" rather than member states can be explained by the borders of a macro-region also running within the nation states. This becomes apparent in the case of Germany, the only country that is part of both macro-regions. While only the three northern federal states of Hamburg, Schleswig-Holstein and Mecklenburg-Western Pomerania are included within the Baltic Sea region, the Danube region includes the two southern states of Baden-Württemberg and Bavaria. The same also applies to third states like Russia and the Ukraine.[14] Within the nation states, the geographic range of the macro-region does, however, conform with existing administrative borders. Subnational regional bodies such as the Federal States form, as it were, the basic building blocks for the territorial administrative architecture of a macro-region.

Territorial as well as functional aspects are important for defining the macro-region. First and foremost, the macro-region is based on a natural geographic understanding of the area, according to which the Baltic Sea and Danube can be viewed as ecosystems. While the geographical demarcations of the two macro-regions – as defined by the European Commission – are not identical to the respective catchment areas, they do come quite close to the natural geographic extent of the Baltic Sea and Danube.[15] At the same time, the Commission emphasises that the borders of the macro-regions are flexible and therefore cannot be conclusively drawn, but instead could fall along different lines depending on functional requirements. While the natural geographical understanding of the Baltic Sea and Danube is therefore the primary criterion, it is not the only one for the geographical range of macro-regional strategies.[16] Only a large num-

11 Thus the term appears, for example, in a 2007 working paper on the EU's potato sector. It refers to Germany, Belgium, the Netherlands, Great Britain and France as follows: "This macro-region is actually the core of the EU's potato economy." See European Commission, *The Potato Sector in the European Union*, Working Paper, April 2007 (SEC/2007/0533).

12 Danuta Hübner, *EU Regional Policy in 2008: Achievements, Next Steps and Aspects of the Future Debate*, Address to the employees of the DG REGIO, Brussels, March 3, 2008, p. 8; ibid., *Launch of South-East Europe Co-operation Programme*, Address, March 27, 2008, p. 2; ibid., *EU Regional Policy post-2013: More of the Same, or a New Beginning?*, Address to the European Policy Centre, Brussels, July 1, 2008, p. 7; *EU Strategy for the Baltic Sea Region*, Address, Stockholm, September 30, 2008, pp. 2–5; *European Danube Strategy*, Speech marking the Donau Conference within the context of the Open Days, Brussels, October 6, 2010, pp. 2f.; *Presentation of the Green Paper on Territorial Cohesion*, Address, Marseille, November 26, 2008, p. 3.

13 European Commission, *Communication Concerning the European Strategy for the Baltic Sea Region*, Brussels, June 10, 2009, KOM(2009) 248/3, p. 6. Pawel Samecki, Hübner's temporary replacement as regional commissioner, similarly defined the macro-region in an unofficial discussion paper as the "area including territory from a number of different countries or regions associated with one or more common features or challenges". Pawel Samecki, *Macroregional Strategies in the European Union*, Discussion Paper, Stockholm, September 18, 2009, p. 1.

14 In Russia's case, this affects parts of the federal disctricts in Northwestern Russia that are proximate to the Baltic Sea, while for the Ukraine, it affects the country's four southernmost oblasts, which belong to the Danube basin.

15 The Baltic Sea's catchment area is also comprised of parts of the Czech Republic, Slovakia, and the Ukraine, which are not, however, included within the European Commission's Baltic Sea macro-region. In the Danube region, the same is true for parts of Macedonia, Kosovo, Italy and Switzerland. Conversely, a number of states are counted as part of the macro-region in their entirety, although they are only partially in the catchment area – and in some cases, hardly at all. In the Baltic Sea region, this is true of Western Denmark as well as Germany (Hamburg is outside the Baltic Sea basin, but parts of Brandenburg and Saxony are within it). In the Danube region, the Czech Republic, Bulgaria, and the German state Baden-Württemberg are largely outside of the river basin.

16 European Commission, *Communication on Baltic Sea Strategy* [same as footnote 13], p. 5. Cf. Samecki, *Macro-regional Strategies* [same as footnote 13], p. 1.

Table 1
Countries, Population, Area and GDP of the Baltic Sea and Danube Macro-Regions (percentage of EU-27 in parentheses)

Macro-Region	*Baltic Sea*	*Danube*
EU member states	Denmark	Romania
	Sweden	Bulgaria
	Finland	Hungary
	Estonia	Slovenia
	Latvia	Slovakia
	Lithuania	Czech Republic
	Poland	Austria
	Germany: Hamburg, Schleswig-Holstein, Mecklenburg-Western Pomerania	Germany: Baden-Württemberg, Bavaria
Population in millions	71 (14)	89 (18)
Area in 1000 km²	1279 (30)	769 (18)
GDP in billions of Euros	1375 (11)	1620 (13)

Sources: Eurostat, http://europa.eu/abc/keyfigures/sizeandpopulation/index_de.htm (retrieved on October 26, 2010); Statistisches Bundesamt (area, population and GDP of the German states), https://www-genesis.destatis.de (retrieved on October 26, 2010).

ber of common issues – i.e. multifunctionality – qualify a European region as a macro-region.

Within the EU's multi-level political system, the macro-region opens up a new context for action. Although macro-regional strategies were legitimised by the European Council and thus for the entire EU, their geographical range is limited to a zone that touches on the territory of a number of member states, but is considerably smaller than the European Union.[17] As a result, macro-regional policies cannot be clearly classified within the national or the supranational level, but rather evolve between these two levels in a transnational context. The core of each macro-region is made up of a group of member states, the varying composition of which is determined by functional aspects. In this sense, the macro-region can be understood as a type of *Kerneuropa* or core Europe.

The macro-region not only differentiated the multi-level European system in a territorial sense, but also in terms of the patterns of interaction among political actors. In addition to national governments, a number of different actors can play a part in the macro-region: subnational regional bodies within the EU, but also regions or states beyond the outer EU borders and therefore cross-border regional organisations, which include EU states as well as third states. This results in new connections between pre-existing EU levels, for example, between subnational regions and the EU bodies. At the same time, the participation of third states opens up a foreign policy and neighbourhood policy dimension for the macro-region. In addition, the strategic interaction of a functionally defined core group of member states also implies the possibility that an independent macro-regional operational level emerges. On this level, independent consensus-building and decision-making processes could be developed, which would have an influence on the other levels of the EU system.

The theoretical potential of the macro-regional development nevertheless has to face the fact that there is an apparent lack of substantial changes in the EU's multi-level system. The strategies for the Baltic Sea and Danube regions did in fact emerge from the premise of the so-called "three no's" – they should create no new institutions, no new laws and no new budgets in the EU.

17 Cf. Commissioner Samecki, who generally described the macro-region as follows: "In an EU context a macro-region will involve several regions in several countries but the number of Member States should be significantly fewer than in the Union as a whole." Samecki, *Macro-regional Strategies* [same as footnote 13], p. 1.

Table 2
Participating Third States in the Baltic Sea and Danube Macro-Regions

Baltic Sea	*Danube*
Norway	Bosnia-Herzegovina
Russia	Croatia
Belarus	Moldavia
	Montenegro
	Serbia
	Ukraine

Instead, the strategy should be implemented "within the existing financial and legal framework" through "closer co-operation and co-ordination" among the participating actors.[18] In other words, the macro-region should improve the functionality of the EU, but not initiate any further constitutional developments. In light of this key limitation, there seems to be little prospect of the macro-regional pilot projects in the Baltic Sea and Danube area triggering systemic change within the EU.

Nevertheless, the macro-region model experiment could carry paradigmatic potential. A pre-condition for this would be a questioning of the "three no's". Implementing the strategies for the Baltic Sea and Danube could give rise to a dynamic – with its positive and negative aspects – which would generate calls for institutional, legislative or budgetary reforms that could become so loud that the EU would ultimately yield to them. If the "three no's" were even partially overcome in this process, this could be judged as the consolidation of a new transnational operational level within the EU.

A second possibility is posed by the Baltic Sea and Danube macro-regions developing into the nucleus of a distinct operational level within the EU, even if they don't directly call into question the "three no's". It is conceivable that political and executive co-operation could gradually become more permanent and consolidated within the macro-regional context. While this co-operation would not have an institutionalised form, it would nevertheless gain visibility and relevance on the EU level. Macro-regions could create informal alliances of political actors, which could exercise influence over EU policy in the sense of "soft power". Achieving this in an executive sense would be possible, for example, through innovative projects and best practices, which prevail as EU standards and ultimately also result in legal, financial or institutional change. Macro-regions could organise themselves politically as networks of different actors, which identify common interests and positions. These would be introduced through concerted action into the EU bodies, where they could have an indirect, but no less effective, influence on decisions.

Both of these development prospects – overcoming the "three no's" or the creation of an informal operational level – require a more detailed analysis of the EU strategies for the Baltic Sea and Danube region. This study provides such an analysis in three steps. In the following chapter, attention will first be directed to how the EU strategies were created. It needs to be determined which actors took the initiative and lent the process its political dynamic. The next chapter examines the actual political contents, financial framework conditions and institutional control mechanisms of the Baltic Sea and Danube strategies by questioning the extent to which these factors directly or indirectly challenge the "three no's". In the final chapter, the degree to which the macro-regional concept is viable for the EU as a whole is analysed.

18 European Commission, *Communication on Baltic Sea Strategy* [same as footnote 13], p. 4. Cf. Samecki, *Macro-regional Strategies* [same as footnote 13], p. 5.

Creation of the Baltic Sea and Danube Strategies

The eastern expansion of the European Union in 2004 marked a historic point of departure for the creation of the EU's macro-regional strategies. Since this point in time, the Baltic Sea – with the exception of Russia – has been exclusively ringed by EU member states. Since the accession of Bulgaria and Romania in 2007, the Danube now also flows predominantly through EU states; only Croatia, Serbia, Moldavia and the Ukraine are not (yet) part of the Union. Less than two decades after the end of the Cold War, an unprecedented Europeanisation arrived at its provisional conclusion in the form of the eastern expansion. While in 1989 the Baltic Sea and Danube were still located on the periphery of what was then the EC, since 2004 they are practically inland waters of the Union. This long-term change in the geopolitical configuration was taken into account during the elaboration of the macro-regional strategies for the Baltic Sea and Danube regions.[19]

Within the EU, the macro-regional development represents action in the periphery. The 16 member states located in the two macro-regions include all ten Central and Eastern European states, which joined the EU during the 2004/2007 eastern expansion process. At the same time, the macro-regions in the Baltic Sea and Danube area share a common pattern in terms of their structures. Both regions link the "young" member states on the north-eastern or south-eastern edges of the EU not only with the relatively wealthy states that joined in the so-called second northern expansion in 1995 (Sweden and Finland in the Baltic Sea region, Austria in the Danube region), but also the "old" member states at the centre of the Union: Denmark in the Baltic Sea region, and most of all, Germany, which is incorporated into both macro-regions. There is a combination of old and new member states, periphery and centre – the macro-region model experiment is therefore positioned to contribute to the territorial cohesion of the expanded EU.

The initial impetus for developing the Baltic Sea Strategy came from the European Parliament. In November 2005, it accepted a resolution on the Northern Dimension (ND), which called among other things for developing a special strategy for the Baltic Sea region.[20] The resolution was put forward by the Baltic Europe Intergroup, which is an informal collection of seven representatives from the Baltic Sea region under the chairmanship of Britain's Christopher Beazley.[21] The parliamentarians' venture reflected a growing dissatisfaction over the stagnating co-operation in the region. Following the end of the Cold War, Baltic Sea co-operation initially was characterised – largely independent of the EU – by dynamic and successful development. This development was based on the shared mission of supporting the eastern riparian states in their transition to democracy and market economies as well as their integration into NATO and the EU. These objectives, however, were largely fulfilled with the double enlargement of 2004. This also meant that Baltic Sea co-operation had lost its primary driver; it became a victim of its own success, as it were. The call for an EU strategy should therefore not only express a shift in the geopolitical configuration of the Baltic Sea region, but also provide an impetus for once again dynamising regional co-operation.[22]

19 Cf. Marko Lehti, "Baltic Region in Becoming: From the Council of the Baltic Sea States to the EU's Strategy for Baltic Sea Area", in: *Lithuanian Foreign Policy Review*, vol. 22, 2009, pp. 20f.

20 European Parliament, *Resolution on the Future of the Northern Dimension*, Strasbourg, November 16, 2005, P6_TA(2005)0430, Point D. The claim was affirmed in the following year with another resolution: European Parliament, *Resolution on a Baltic Sea Region for the Northern Dimension*, Strasbourg, November 16, 2006, P6_TA(2006)0494.

21 Intergroup for the Baltic Sea region in the European Parliament *(Baltic Europe Intergroup)*, *Europe's Strategy for the Baltic Sea Region*, no stated location or date [Brussels], [November 15, 2005]. In addition to Beazley, the initiative included the following MEPs: Michael Gahler (Germany), Ģirts Valdis Kristovskis (Latvia), Toomas Hendrik Ilves (Estonia) as well as Henrik Lax, Satu Hassi and Alexander Stubb (all from Finland). While Beazley exited the EP following the 2009 elections, Gahler, Kristovskis, Lax and Hassi were re-elected until 2014. Ilves had already left the EP following his election to President of Estonia; Stubb left in 2008 when he was named Finland's foreign minister.

22 Intergroup for the Baltic Sea Region in the European Parliament, *Europe's Strategy for the Baltic Sea Region* [same as footnote 20]. Cf. Rikard Bengtsson, *An EU Strategy for the Baltic Sea*

As the Danube Strategy began to take form starting in 2008, the European Parliament increasingly moved into the background. While it quickly recognised the potential for development of the Danube region and emphatically supported plans for a macro-regional strategy,[23] the sorts of pioneering resolutions passed by the Parliament for the Baltic Sea Strategy did not emerge. The Danube Intergroup also was not established until July 2009, a month after the European Council's decision on the creation of a Danube Strategy. The European Parliament can therefore certainly be characterised as a pioneer of the Baltic Sea Strategy and unequivocal proponent of the macro-regional concept. Its initial leadership role, however, gradually moved over onto other actors.

One of these actors is the European Commission. It became active in December 2007 upon receiving the mandate from the European Council of preparing a draft strategy for the Baltic Sea within 18 months and largely without specific provisions.[24] The Commission's main merit does not lie in solving this task, but rather in the fact that from the assignment of drafting an individual strategy for a specific region, it created a generalisable concept and introduced the respective term "macro-region". At the same time, the Commission – and in particular the Directorate-General Regional Policy (DG REGIO) under the leadership of Danuta Hübner (2004–2009) – became the motor driving the process. In October 2008, Commissioner Hübner also became the first to call for the drafting of a Danube Strategy.[25] She was, however, dealing in consultation with a group of actors that can be pointed to as the actual authors of the initiative. In particular, these were the governments of Romania, Austria and Serbia, as well as the state government of Baden-Württemberg.[26]

The Commission's commitment to the macro-region model experiment unfolded in connection with the reform discussion over EU regional policy. As in the case of the Baltic Sea region, there was a desire for new ideas and impulses. On the one hand, there was a hope of using this to fix the obvious regional aid deficits and to breathe life into the objective of territorial cohesion introduced by the Lisbon Treaty.[27] The further development of the Baltic Sea Strategy into the macro-region concept opened up a possible solution to both challenges. On the one hand, the creation of geographically large transnational units promised to make Europe's regional policy more efficient and to increase its strategic focus. On the other hand, it provided the opportunity to establish a territorial regulating principle which would allow for a better implementation of the cohesion objective called for in the Lisbon Treaty. This reform perspective was the guiding motif for the Commission's efforts to make the Baltic Sea and Danube strategies into a model experiment for macro-regional policy.[28]

In addition to the Commission, the member states also grew into driving forces behind the macro-regional process. Originally, they regarded the idea of a Baltic Sea Strategy with everything from hesitation to indifference. Contrary to the hopes of the European Parliament, neither the Finnish nor the German government was prepared to take up the strategic initiative during their Council presidencies in 2006 and 2007. The Swedish government was the first to embrace the project in the run-up to their Council presidency in 2009. The Baltic Sea Strategy experienced its political breakthrough with the public con-

Region: Good Intentions Meet Complex Challenges, Stockholm: Swedish Institute for European Policy Studies (SIEPS), 2009 (SIEPS European Policy Analysis 9/2009), pp. 2f.

23 In September 2008, based on the initiative of the Romanian representative Silvia-Adriana Țicău, the EP deployed a delegation of the Committee for Transportation and Tourism to the Danube region for the first time. In January 2010, a plenary debate was held on this topic, which resulted in unanimous support for the Danube Strategy and led the way for a corresponding resolution. European Parliament, *European Strategy for the Danube Region*, Strasbourg, January 20, 2010; European Parliament, *Resolution on a European Strategy for the Danube Region*, Strasbourg, January 21, 2010, P7_TA(2010) 0008.

24 For the Baltic Sea Strategy: European Council, *Conclusions of the Council*, Brussels, December 14, 2007, 16616/1/07 REV 1, p. 17. For the Danube Strategy: European Council, *Conclusions* (June 19, 2009) [same as footnote 2], p. 13.

25 Danuta Hübner, Speech at the Opening of the Danube Conference [no title], in: Wolfgang Reinhart (ed.), *Europa Danubiana – hin zu einem europäischen Kooperationsraum Donau*, Documentation of the 2nd Danube Conference "Die Donau – Fluss der europäischen Zukunft" on October 6 and 7, 2008 in the Baden-Württemberg representation at the European Union in Brussels (European Papers of the State Ministry of Baden-Württemberg, Nr. 10), pp. 42–52 (43); European Commission, "EU-Kommissarin Hübner fordert Europäische Donaustrategie", Press Release (IP/08/1461), Brussels, October 6, 2008.

26 European Commission, *EU Strategy Danube Region – FAQ* [same as footnote 7].

27 European Commission, *Green Paper on Territorial Cohesion*, Brussels, October 6, 2008, KOM(2008) 616; Stocchiero, *The Geopolitical Game* [same as footnote 3], pp. 7ff.

28 Cf. "Review: For Who? For What? How? The Stakes", in: *EIS*, October 4, 2010.

sultation in the fall of 2008. Within the region, the EU project generated a lively response.[29] During this time, actors were mobilised, which until this point had done little to distinguish themselves in terms of promoting regional co-operation. Poland serves as an example, as it quickly picked up on the strategy idea and brought it up during consultations across all state and societal levels.[30] The same was done by Mecklenburg-Western Pomerania, which had long been overshadowed by the active Baltic Sea policy of Schleswig-Holstein. Certainly by the time the Federal State hosted the closing conference of the consultation in February 2009, Mecklenburg-Western Pomerania had advanced to being the most visible actor among the German Baltic Sea states. Ultimately, however, all of the states in the region actively participated in drafting the strategy and all of them took responsibility for its implementation.

The Danube Strategy was launched concurrently with the start of the Baltic Sea Strategy consultation process in the fall of 2008. This time, all of the member states in the region participated on a broad scale in the political consensus-building process from the very beginning. Romania, Austria and Serbia have already been mentioned as initiators. Hungary joined these ranks by following Sweden's example in declaring its readiness to make the Danube Strategy a priority during its Council presidency in the first half of 2011. The consultation process conducted between February and June 2010 underlined the increased commitment of the member states in the region.[31]

In contrast to the Baltic Sea region, where the participating governments had submitted to the Commission relatively short, broadly formulated "non-papers" classified as confidential, the Danube states presented publicly accessible and detailed position papers, which also contained numerous concrete recommendations for the action plan's flagship projects. In addition, it was noteworthy that non-EU members from the region also participated in the process. In addition to Serbia, both Croatia and the Ukraine prepared detailed position papers just like the other member states. Of the 14 Danube states, only Moldavia, Bosnia-Herzegovina and Montenegro decided against issuing a written position.

The commitment of third states from the Danube region stands in contrasts to the cautious, wait-and-see stance that Russia has taken towards the EU's strategy for the Baltic Sea. The Russian government was continuously informed by the Commission about progress during strategy development, but it never publicly voiced its own position. Moscow did express its wish vis-à-vis the Commission that the EU strategy should not have a negative impact on the established co-operation within the Baltic Sea region and that relations between the EU and Russia continue to be shaped on the basis of existing international formats like the Council of the Baltic Sea States or the Northern Dimension. The reactions of Russian delegates at the Baltic Sea Parliamentary Conference in September 2009 were more critical.[32] Their scepticism was reflected in the concluding statement in which they did not expressly welcome the "so-called" EU Strategy for the Baltic Sea, but rather called for its close alignment and co-ordination with the Northern Dimension.[33] The dialogue with Russia regarding the Baltic Sea Strategy continues to remain in its earliest stages.[34]

Lastly, in addition to their national counterparts, subnational governments have also increasingly participated in the EU's macro-regional strategies. Germany's Federal States have particularly distinguished themselves in this connection: Hamburg, Mecklen-

29 According to the Commission, a total of 109 written contributions were entered into the consultation, including 9 from national governments (including Russia, Belarus and Norway), 31 from subnational regional authorities, 48 from inter-state and non-state organisations as well as 19 from the private sector and from individuals. See: European Commission, *EU Strategy for the Baltic Sea Region. Report on the Public Consultation*, Brussels [no stated date]. Of these 109 contributions, 78 were published on the webpages of the DG REGIO: http://ec.europa.eu/ regional_policyconsultation/baltic/ contrib_en.htm (retrieved on January 6, 2011).

30 The Office of the Committee for European Integration (UKIE), *The EU Strategy for the Baltic Sea Region*, Warsaw, August 2008 (UKIE Analytical Paper Series 19). The specifics of Poland's relation with the Baltic Sea are analysed by Jörg Hackmann, "'Zugang zum Meer': Die Ostsee in der polnischen Historiografie", in: *Nordeuropaforum*, vol. 14, no. 2, 2004, pp. 43–66.

31 According to preliminary information from the Commission, over 100 contributions were entered within the context of this consultation. Once again there was a broad range of actors – from subnational bodies to regional organisations, NGOs, universities and research institutes. See "List of Stakeholders" at: http:// ec.europa.eu/regional_policy/ consultation/danube/consul tation_en.htm (retrieved on August 4, 2010).

32 Baltic Sea Parliamentary Conference (BSPC), *Report*, 18th Baltic Sea Parliamentary Conference, Nyborg, September 1, 2009, pp. 15, 20.

33 Ibid., *Conference Resolution*, 18th Baltic Sea Parliamentary Conference, Nyborg, September 1, 2009, Point 4.

34 Cf. Bengtsson, *An EU Strategy* [same as footnote 22], p. 8.

burg-Western Pomerania and Schleswig-Holstein in the Baltic Sea Strategy, Baden-Württemberg and Bavaria in the case of the Danube Strategy. On the European level, the engagement of subnational bodies is expressed through the Committee of the Regions (CoR). This committee did not yet play a key role during the drafting of the Baltic Sea Strategy, but it did play a significant role in launching the Danube Strategy.[35] Overall, this has further underscored a tendency that could be observed throughout the entire creation process of the macro-regional strategies. Although the idea of an EU strategy originally was put forth by the Parliament, leadership of this process was gradually transferred to other actors: on the one hand to the Commission, which developed the macro-region concept, and on the other hand, to the (national and subnational) governments of the member states in the Baltic Sea and Danube regions, which have embraced the macro-regional approach and have pushed forward the implementation of the EU strategies. The participation of civil society groups and the private sector in both regions has been less conspicuous though. Overall it can therefore be stated that the macro-region model experiment has thus far been primarily an inter-governmental project.

35 Information portal Danube Strategy, "Plenartagung des Ausschusses der Regionen in Brüssel", [October 2009].

Three "No's": Laws, Financing, Institutions

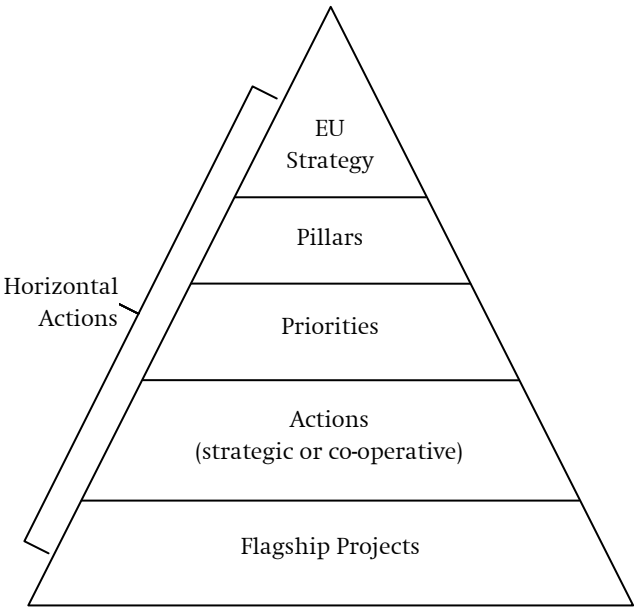
As pilot projects of the macro-regional strategies, the Baltic Sea and Danube regions constitute an unequal pair. While the Baltic Sea Strategy has been implemented since its passage in October 2009, the Danube Strategy was just adopted in June 2011 during the Hungarian Council presidency. As a result, many of the questions that can already be answered for the Baltic Sea Strategy remain open issues in the case of the Danube Strategy. Due to this lack of concurrence, the Baltic Sea Strategy is of paramount importance if one wishes to analyse the policy focus areas, financial resources, and governance of the EU strategies.

Laws: Influence through "Law-Shaping"

The main policy areas within the Baltic Sea and Danube strategies are largely identical. Both strategies encompass four themes: environment, economy, infrastructure, and security. In the case of the Baltic Sea Strategy, these four "pillars" are already specified with an action plan in terms of priorities, actions, and projects. The Danube Strategy is characterised by a similarly structured action plan (Figure 1). Originally, only three thematic pillars were planned for the Danube Strategy – environment, economy, infrastructure.[36] As a result of the consultation process, the Commission did, however, recommend a fourth pillar, which deals with "strengthening the Danube region" and largely addresses issues of security policy.[37]

The thematic consonance of the two strategies is most noticeable among those pillars that are embedded within the EU's horizontal policy areas. This applies in particular to the economic policy elements, the objectives and activities of which should contribute to implementing the "Europa 2020" strategy. Within the infrastructural area, which works towards the implementation of priority projects within the

Figure 1
Structure of the Macro-Regional EU Strategy Action Plan



context of the Transeuropean Energy and Transport Networks (TEN), the macro-regional strategies of the two regions are also fundamentally very similar.

In the environmental area, on the other hand, the Baltic Sea and Danube strategies only share a superficial similarity. In the Baltic Sea region, environmental policy constitutes the most important pillar of the EU strategy for two reasons. Firstly, overcoming "the urgent environmental problems in the Baltic Sea" represents the sole target set for the strategy in the mandate decision of the European Council in December 2007.[38] Secondly, during the same meeting the European Council passed the EU Integrated Maritime Policy; the Baltic Sea Strategy should contribute to realising this as well. In the Council's mandate decision on the Danube Strategy, on the other hand, comparable political references do not exist. As a river region, the Danube area also does not fall within the field of application of the integrated maritime policy. Environmental policy objectives therefore hold a

36 European Commission, *Scoping Paper* [same as footnote 7].
37 European Commission, *Commission Communication about the Strategy for the Danube Region*, Brussels, December 8, 2010, KOM(2010) 715 final, p. 12, http://ec.europa.eu/ regional_ policy/sources/docoffic/official/communic/danube/com2010_ 715_danube_en.pdf (retrieved on January 10, 2011).

38 European Council, *Conclusions* (December 14, 2007) [same as footnote 24], p. 17.

higher position in the Baltic Sea Strategy than in the Danube Strategy. It will primarily be possible to measure the success of the Baltic Sea Strategy based on whether the precarious ecological state of the Baltic noticeably improves. In the Danube region, on the other hand, success will be measured more according to the expansion of transportation and energy infrastructure.

A further difference between the two strategies can be found in the area of security. Security is basically understood in both strategies as “soft” security, primarily in the sense of averting dangers connected to accidents, catastrophes or criminality. Since the early 1990s, one of the ongoing tasks of regional co-operation in the Baltic Sea region has been to minimise such risks. In the past, however, the focus has been on preventive activities against the spread of infectious diseases such as HIV/AIDS or tuberculosis as well as shared efforts in the fight against cross-border human trafficking. The Baltic Sea Strategy, on the other hand, is more oriented towards maritime security and disaster control. Therefore the security policy pillar is just like the environmental policy pillar of the Baltic Sea Strategy in recognisably being obliged to follow the objectives of the EU’s integrated maritime policy. Through the combination of these two policy areas, the Baltic Sea Strategy gains the profile of a marine-related regional strategy as planned for within the context of the integrated maritime policy.[39]

In the Danube Strategy, different accents are set. The mere fact that security is included in the strategy is an important reflection of the concerns of Germany’s Federal States as well as Austria.[40] Aside from the development of monitoring, rescue, and disaster control capacities, which are also seen on the strategy agenda of the Baltic Sea, in the Danube region there is a greater focus on combating cross-border criminality and on co-operating to control and monitor the EU’s outer borders. While this aspect is also relevant to the Baltic Sea region, it is limited to a comparatively small coastal section of Russia before St. Petersburg and Kaliningrad. In the Danube region, on the other hand, important sections of the river flow through third states (Serbia, Croatia, Moldavia, Ukraine). While the Baltic Sea is an international body of water, it will only be possible to bring about the continuous navigability of the Danube if there is co-operation among the police, customs and border authorities of the EU, and if the third states, for their part, have shown sustained improvement. Furthermore, the Danube Strategy focuses in the security area on increasing institutional capacities through qualifying activities with the judiciary, police and home affairs – a target missing from the Baltic Sea Strategy.

The “no” to new EU laws has not been openly questioned yet. A number of positions expressed during the public consultation on the Baltic Sea Strategy, however, raised concerns that the goals of the strategy can hardly be achieved if they are not accompanied by new or revised EU laws. One such example is the “securing of a sustainable environment”, as the Baltic Sea Strategy objective has been described for the environmental policy area. Contamination of the Baltic Sea can primarily be traced back to agricultural areas within the sea’s catchment area being over-fertilised. The environmental burden can therefore only be reduced if agricultural practices are sustainably altered.[41] In order to achieve such a change, it would be helpful, if not necessary, to undertake legislative action in terms of the Common Agricultural Policy.[42]

39 European Commission, “The Integrated Maritime Policy for the EU – Priorities for the Next Commission”, Press release (IP/09/1530), Brussels, October 15, 2009.

40 German Foreign Office, *Positionspapier zur EU-Donauraumstrategie*, Berlin, January 20, 2010, pp. 1, 7; ibid., *EU Strategy for the Danube Region – 2nd German Contribution*, Berlin, June 2, 2010, pp. 7ff; Bavarian State Government, *Europäische Strategie für den Donauraum. Bayerische Überlegungen*, Munich, November 18, 2009, pp. 4, 7; Baden-Württemberg State Parliament, *Europa Danubiana – Donaustrategie des Landes und der EU*, Stuttgart, February 2, 2010, Drucksache 14/5795, p. 6; Austrian Government, *EU Strategy for the Danube Region (EUSDR). First Austrian Contribution to Stock-taking*, Vienna, December 2, 2009, p. 2. Cf. Reinhard Olt, “Ungarn hat schon seine erste EU-Ratspräsidentschaft im Blick”, in: *Frankfurter Allgemeine Zeitung*, October 7, 2010.

41 Carsten Schymik and Peer Krumrey, *EU Strategy for the Baltic Sea Region. Core Europe in the Northern Periphery?*, Berlin: German Institute for International and Security Affairs, March 2009 (Discussion Paper of the Research Group 1, 5/2009), p. 7; European Commission, *Communication on Baltic Sea Strategy* [same as footnote 13], p. 10.

42 Cf. Tom Schumacher, “Deutschlands Anteil an der Eutrophierung der Ostsee”, Kiel, October 2009; Markus Larsson and Artur Granstedt, “Sustainable Governance of the Agriculture and the Baltic Sea – Agricultural Reforms, Food Production and Curbed Eutrophication”, in: *Ecological Economics*, vol. 69, 2010, pp. 1943–1951. The latter concluded that overfertilisation in the Baltic Sea will continue to increase in the coming years, when Poland and the Baltic states modernise their agricultural production in accordance with Western practices and thereby considerably increase the use of nutrients.

The perspectives for legislative reform that have stood out within the context of EU strategies are related first and foremost to the national and macro-regional levels. The environmental pillar of the Baltic Sea Strategy offers a concrete example of this. In order to reduce the eutriphication of the Baltic Sea, the strategy is seeking a ban on phosphate as an additive in detergents. Individual EU states like Germany and Sweden have already integrated corresponding provisions into their national laws. Other member states in the region could follow this example and thereby prejudge an EU-wide ban on phosphate. Something similar is conceivable in regard to ecological port fees, limits on the sulphur content of ship diesel or other regulations connected to the integrated maritime policy, the implementation of which would be expressly allowed within the framework of a pilot region. By creating new legislative standards on the macro-regional level, which can gradually emanate out across the entire EU, the macro-region can exercise influence over future EU legislation – not directly through "law-making", but probably indirectly in the sense of "law-shaping".

Financing: Budgeting through "Earmarking"

The second "no" refers to the financing of the macro-regions. For the implementation of the EU strategies, no new allocations should be created within the EU budget. The strategies should instead be arranged so that they make optimal use of existing budgetary and other financial resources. The overall financial framework of the EU strategies is indicated by the Commission as being around EUR 50 billion for the Baltic Sea region and approximately EUR 95 billion for the Danube region.[43]

These figures, however, can only provide an approximate notion of the financial volumes of the EU strategies. The money primarily comes from the European Fund for Regional Development (EFRE) and the Cohesion Fund, which were given to the two regions over the entire 2007–2013 time period. In addition to these regional policy budgetary resources, the Commission enumerates a whole series of financing instruments, which could likewise be used for the implementation of the EU strategies, although their precise scope is not defined. These primarily include support programmes from other EU departments, as well as supplementary budgetary resources from the member states and instruments of international financial institutions (Table 3, p. 18). Therefore the overall financial framework of the macro-regional strategies is theoretically larger than the Commission's numbers indicate.

On the other hand, the financial framework of EUR 50–95 billion refers to the total timeframe from 2007 to 2013. Since the budget period is quickly approaching its endpoint, most of the resources have been pledged or used already. The same holds true for the non-quantified budgetary resources from other departments. The bottom line is that the amount of resources actually available for use in EU strategies is considerably smaller than the Commission's figures may suggest.

In terms of the lack of clarity over the funding of the EU strategies, focus turns to the next EU budgetary period from 2014. The upcoming negotiations over the financial perspective up to 2020 could increase financial planning security in two regards. By determining new budgetary approaches for the various EU policy areas, it will be possible to more precisely define the global budget for macro-regions that is theoretically available – at least in terms of the regional and structural funds, which represent the main sources of financing for the EU strategies in the Baltic Sea and Danube regions. In addition, over the course of financing negotiations, important strategic moves can be made in terms of the application of EU budgetary resources for macro-regional policy. In the current budget period, this has not been the case, as macro-regional aspects have not been able to play a natural role yet in defining objectives, priorities and criteria of EU programmes like the Interreg programme. Only with the next finance period will the chance even arise to more precisely identify the financial resources of the EU strategies on the macro-regional level.

This also means, however, that the financial future of macro-regional policies depends on the imponderable course of EU financial negotiations, which can be expected to be controversial. Many of the ideas and demands that have been introduced into discussion for future EU budgetary policy would carry direct consequences for the funding of macro-regional strategies – these range from the question of the total duration of the financial period (seven or ten years?), the emphasis placed on different expenses (tightening of

43 Information pursuant to the Baltic Sea Strategy: European Commission, *Communication Baltic Sea Strategy* [same as footnote 13], p. 5. For the Danube Strategy: European Commission, "European Strategy for the Danube Region: Commissioner Samecki Launches Consultation, Ulm, Germany", Press release (IP/10/110), Brussels, February 1, 2010.

Table 3
Financing Sources and Instruments for Implementing the Macro-Regional Strategies in the Baltic Sea and Danube Regions

Regional and Structural Funds	European Fund for Regional Development (EFRE) Cohesion Fund for the Convergence, Competitiveness and Employment Programmes European Social Fund (ESF) European Territorial Co-operation (within the EFRE framework)
Other EU Policy Areas	Common Agricultural Policy (European Agricultural Fund for Rural Development) Common Fisheries Policy (European Fisheries Fund) LIFE Programme 7th Research Framework Programme Competitiveness and Innovation Framework Programme European Neighbourhood and Partnership Instrument and Cross-Border Co-operation (ENPI CBC) Framework Programme for Establishing an Area of Freedom Security and Justice Civil Protection Financial Instrument
Member States	National, regional and communal initiatives on the financing of individual projects
Financial Institutions	European Investment Bank European Bank for Reconstruction and Development Nordic Investment Bank (Baltic Sea)

Author’s compilation based on: European Commission, *Action Plan. Commission Staff Working Document Accompanying the Communication concerning the European Union Strategy for the Baltic Sea Region*, Brussels, June 10, 2009, SEC(2009) 712.

allocations for the Common Agricultural Policy?) to the challenging of specific budget lines (e.g. European Social Fund). While in light of the historical development of European regional policy it can be assumed that these will also comprise an important and upward trending portion of the total EU budget, it is by no means certain that this will also benefit funding to the macro-regions.

Against the backdrop of the discussion over the next EU budget period, current opinion needs to be analysed in terms of what the “no” to new budgets for macro-regional policy means. In principle, this “no” has thus far raised few objections. The European Parliament did, however, demand in its 2006 resolution on the Baltic Sea Strategy that an individual budget be established for the strategy within the framework of the European Neighbourhood and Partnership Instrument (ENPI) – a request that could also be found in the position papers of the Lithuanian and Polish governments and in other contributions to the public consultation.[44] Similar wishes were also voiced in the European Parliament debate over the Danube Strategy.[45] Overall, however, these have remained isolated voices. The prevailing and emphatic opinion, particularly of the Commission and the member states, does not question the premise that macro-regional strategies should be designed in a cost-neutral manner.

Beyond this basic consensus, however, there is certainly movement within the discussion. The first interim report on the Baltic Sea Strategy, which was put forth in October 2010 at the EU Forum in Tallinn, showed the need for reform in two areas. Firstly, many macro-regional actors complained about the lack of resources for administrative tasks, which address the

44 European Parliament, *Resolution on the Furutre of the Northern Dimension* (November 16, 2006) [same as footnote 20]; Schymik and Krumrey, *EU Strategy for the Baltic Sea Region* [same as footnote 41], p. 14.
45 European Parliament, *Danube Strategy (Statement)* [same as footnote 23] (Speeches delivered by the representatives Michael Theurer and Evgeni Kirilov).

co-ordination of priority areas or the implementation of flagship projects. The Commission signalled its readiness to look for ways of providing additional technical assistance funding to actors in the region, e.g. by establishing a trust fund in co-operation with the European Investment Bank for this purpose. Secondly, an allocation problem became apparent in Tallinn; the implementation of the strategy suffers from a lack of funding although there are certainly available resources within the EU budget. In this case, the Commission also promised to undertake additional efforts, but ultimately did not define how this "alignment" problem could be solved.[46]

Ultimately, it will only be possible to secure a more advantageous allocation of funds for the macro-region objectives in connection with the next EU financial projection from 2014. Initially, this will depend on what value is given to the Lisbon Treaty's newly anchored objective of territorial cohesion in the EU. Within the EU's regional allocation, the territorial cohesion goal could, for example, receive more emphasis if the funds for the so-called Objective 3 areas were to be rededicated to benefit the macro-regions.[47] However, wider-ranging restructuring of the regional policy budget would only be possible if cuts were made to the other objectives – economic convergence and social cohesion. In contrast with the convergence goal, for which more than 80 percent of regional policy funds have been reserved, the allocation of funds to the territorial cohesion goal has not been tied to the socio-economic development level of the regions. A restructuring of the regional budget benefiting territorial cohesion would therefore offer an opportunity to regions, which run the risk of dropping out of the convergence support, of continuing to acquire EU resources in the future. The macro-region therefore creates options for reforming the structural and regional funds, which are in accordance with the prevailing "net balance logic" in the EU.[48]

One obvious deficit of the current financial regulations is the fact that the Danube region – in contrast to the Baltic Sea region, which is identical to the existing "Baltic Sea" transnational co-operation area – is divided in terms of its allocation: part of the Danube macro-region is in the "Central Europe" co-operation area, while another part of it is in the "South East Europe" co-operation area.[49] It is therefore recommended that a unified transnational co-operation area be created for the Danube region within the framework of Europe's regional policy in order to facilitate the targeted implementation of macro-regional strategies for the region.[50] Additional adjustments would, however, be necessary, which raises the questions of whether the entire classification system for the EU co-operation areas should be restructured according to macro-regional aspects.[51]

"Earmarking" is another reform approach and refers to the provisioning and appropriation of budget resources for macro-regional strategies. This doesn't necessarily entail changes to the existing budgetary structure. The only new thing would be the specification that available budgetary resources would be given preference to use for specifically pre-defined purposes. So far this sort of earmarking has only been used within the context of the cohesion policy, primarily towards the objectives of innovation and sustainable transportation. During discussions, former Regional Commissioner Hübner brought up the possibility of applying the principle of appropriation on the macro-region level in the sense of "multi-regional projects".[52] Similarly to the rededication of allocations (Objective 3 support) or the redefinition of transnational programme regions ("Danube" co-operation area), an increase in earmarking would amount to an indirect funding of the macro-region. The macro-region model experiment offers a "soft" reform prospect for the financial area just like "law-shaping" does for the legis-

46 European Commission, *The Implementation of the EU Strategy for the Baltic Sea Regio. Annex 2: Alignment of Funding*, Report of the Commission on the first annual forum on EU Baltic Sea Strategy in Tallinn, October 29, 2010, p. 2.

47 According to the suggestion of Ex-Commissioner Hübner in "Danuta Hübner: Funds Need Better Co-ordination", in: *EIS*, October 4, 2010.

48 Interview with Peter Becker, "EU-Haushaltsdebatte – Gefangen in der Netto-Logik", in: *EurActiv*, September 8, 2010, www.euractiv.de/finanzplatz-europa/artikel/eu-haushaltsdebatte—gefangen-in-der-netto-logik-003611 (retrieved on November 29, 2010).

49 See the DG REGIO Website: "Transnational Programmes under the European Territorial Co-operation Objective", http://ec.europa.eu/regional_policy/atlas2007/transnational/index_en.htm (retrieved on November 29, 2010).

50 Committee of the Regions, *An EU Strategy for the Danube Area*, Opinion, October 7, 2010, CdR 149/2009 fin DE/MOB/NT/nm; Information portal Danube Strategy, "Plenartagung des AdR" [same as footnote 35].

51 "Regions: Quest on for Financing Suited to Macroregions", in: *EIS*, May 20, 2010; "Regions: Future of Macroregions under Discussion", in: *EIS*, July 2, 2010; "Macro-regions Step into Debate", in: *EIS*, October 4, 2010.

52 Interview with Danuta Hübner, see "Danuta Hübner: Funds Need Better Co-ordination", in: *EIS*, October 4, 2010.

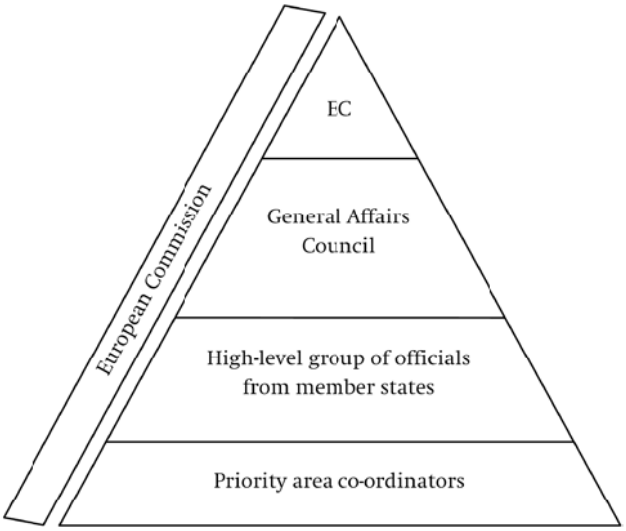
lative area – in this way it would be possible to manifest a new operational level without directly calling into question the “no” to new EU budget lines.

Institutions: Control via Regional Councils?

Macro-regions should not generate any new institutions, but nevertheless need political management. With the Baltic Sea Strategy, a governance model has been created, which could also be applied to the Danube Strategy (Figure 2).[53] In this model, centre-stage is occupied by the Commission on the one hand, and the Council and member states on the other, while no special role is afforded the Parliament. The Commission is responsible for the “necessary co-ordination, monitoring and follow-up of the action plan, as well as a regular updating of the plan and strategy”.[54] It is incumbent on the Commission to not only regularly report to the Council on the possibility of making recommendations for changes to the strategy and the action plan. It is also responsible for hosting the annual forum, and acts as a direct participant in the action plan, as it has taken on the leadership role for various flagship projects.[55] Originally, the Commission wanted to just be a facilitator. In the end, however, it rose to the role of being the motor for the implementation and further development of the strategy.[56]

On the part of the Council, governance projects stands out along four different levels. The lowest level consists of the co-ordinators of the action plan’s priority areas. These are generally representatives of the foreign ministry or other specialised ministry from the respective member state that has taken over the co-ordinating role. The co-ordinators ensure direct

Figure 2
Governance Structure of the EU Strategy for the Baltic Sea



contact with the leaders of the flagship projects and work towards the defined subgoals of each priority in the strategy.[57] On the next level up, a committee of high representatives from the member states oversees the implementation of the action plan. It prepares decisions for how strategies are to be further developed and co-ordinates these with the Commission. The resolutions themselves are retained by the Foreign Ministers of the General Affairs and External Relations Council and, as the case may be, the European Council, which both deal with the continuing development of the strategy in regular intervals.[58]

The infrastructure policy elements of the Baltic Sea Strategy are noteworthy in this context. The priorities of this pillar are co-ordinated by the Federal States of Mecklenburg-Western Pomerania (tourism) and Hamburg (education) as well as the Northern Dimension Partnership in Public Health and Social Well-being. The infrastructure pillar of the Baltic Sea Strategy is therefore the only one whose management is not (exclusively) designated to be under the control of a national government. In the face of what is overall still quite weak participation by subnational actors in the Baltic Sea Strategy actions and projects,[59] the

53 Council of the European Union, *Press Release: 2790th Council Meeting General Affairs and External Relations*, Luxembourg, October 26, 2009 (14675/09, Press 298), pp. 10f.
54 European Commission, *Statement on Baltic Sea Strategy* [same as footnote 13], p. 11.
55 This deals with projects for implementing the EU-Russia Energy Efficience Initiative and the EU-Russia Strategy. In addition, the Commission will take on the announcement of pilot projects on the integration of maritime surveillance systems. See: European Commission, *Action Plan. Commission Staff Working Document Accompanying the Communication Concerning the European Union Strategy for the Baltic Sea Region*, Brussels, June 10, 2009, SEC(2009) 712, pp. 22, 29, 61.
56 Schymik and Krumrey, *EU Strategy for the Baltic Sea Region* [same as footnote 41], p. 11; European Commission, *Comment Baltic Sea Strategy* [same as footnote 13], p. 10.

57 European Commission, *EU Strategy for the Baltic Sea Region: Guidance to the Priority Area Coordinators*, no stated date [October 2009].
58 Council of the European Union, *2790th Council Meeting General Affairs and External Relations* [same as footnote 53], p. 10.
59 Rainer Kosmider, “‘Leuchtturmprojekte’ und regionale Verantwortlichkeit: Ein neuer Weg zur Weiterentwicklung

German Federal States gain particular importance in this regard. As the most visible representatives on the subnational level, they have the chance to show that macro-regional policy can also be sustained, and primarily so, by communes, cities and (subnational) regions.

In terms of the Baltic Sea Strategy's external dimension, the EU originally intended to involve Russia and other third states within the framework of the Northern Dimension. This was meant to "provide the basis for the external aspects of co-operation in the region".[60] But in drafting the strategy, the Commission realised that the ND was poorly adapted to constructing the external column of the Baltic Sea Strategy.[61] In the form of the strategy that has been adopted, the corresponding passage has been modified so that the co-operation with interested third states should be developed "notably but not exclusively within the Northern Dimension".[62] In other words, the Northern Dimension should "preferably" be used, but at the same time it should be possible "to use alternative channels when useful".[63] Basically, the EU strategy has thereby perpetuated the region's established practice of having a flexibly organised inclusion of Russia into transnational co-operation.

The "no" to new institutions has certainly been called into question.[64] The Commission, however, has ignored all related recommendations,[65] and the member states have largely joined in this oppositional stance. A number of questions have nevertheless remained unanswered. It must first be determined how the co-ordination between the Commission and Council functions and the extent to which the Parliament should play a part in future developments to the strategy. Above all, however, is the question of how and if the political consensus building process can be organised on the macro-regional level. During the consultation on the Baltic Sea Strategy, opponents of new institutions pointed to the necessity of political leadership in order to provide the strategy with long term success. The annual forum introduced together with the Baltic Sea Strategy can contribute to this; the same holds true for future EU presidencies – like that of Poland in 2011 – that work towards a comprehensive stock-taking and review of the strategy. It must still be considered, however, whether independent regional institutions may be needed to identify interests in the macro-region and to promote them in a larger EU context.

Contradictory tendencies can be observed on this topic within the Baltic Sea and Danube regions. In the Baltic Sea region, where a dense and hardly manageable array of transnational organisations and networks already exists, the discussion has so far been focused on a critical review and realignment of institutional structures, mainly with a view towards the Council of the Baltic Sea States (CBSS). In early 2007, the Swedish Minister for Foreign Affairs, Carl Bildt,

Europas?", in: Eckart Stratenschulte (ed.), *Das europäische Meer: Die Ostsee als Handlungsraum*, Berlin 2011, pp. 141–157.

60 European Council, *Conclusions* (December 14, 2007) [same as footnote 24], p. 17.

61 The ND that was created on Finish initiative in 1997 is at the same time both too large and too small. On the one hand, it conceptually extends far beyond the Baltic Sea region. Its scope extends all the way to the far north including the Barents Sea and the Arctic Ocean. On the other hand, the practical co-operation within the ND context only materialises in a few contractually structured EU partnerships with Russia, Norway and Iceland. These partnerships address the environment, transportation and culture, although the geographical focus of the co-operation is focused in all cases on Northwestern Russia. The agenda of the Baltic Sea co-operation with Russia, on the other hand, is more broadly based than the ND partnerships. In fact, Russia acts as an equal member in all relevant Baltic Sea organisations and networds – in the Helsinki Commission (HELCOM), the Council of the Baltic Sea States (CBSS), the Baltic Sea Parliamentarian Conference (BSPC), the Baltic Sea States Subregional Co-operation (BSSSC), the Union of the Baltic Cities (UBC) etc. In addition, the public consultation over the EU's Baltic Sea Strategy clearly indicated that there is a high degree of consensus on involving Russia across all elements of the strategy.

62 European Commission, *Communication on Baltic Sea Strategy* [same as footnote 13], p. 4.

63 Ibid., p. 11.

64 During the consultation on the Baltic Sea Strategy, numerous recommendations were made for creating new institutions, among other things, for specific sectors of regional co-operation, for institutionalised procedures of additional strategy development, or for the establishment of new Baltic Sea institutions within the EU context. See: Schymik and Krumrey, *EU Strategy for the Baltic Sea Region* [same as footnote 41], pp. 11f. See also Lehti, "Baltic Region" [same as footnote 19], p. 24.

65 In the commission's report on the results of the public consultation, it was claimed that the message was "clear": "no new institutions", see: European Commission, *Statement on Baltic Sea Strategy* [same as footnote 13], p. 10. The summary of the strategic impact assessment includes a formulation that is a bit more cautious: "There is a general view that no new institution should be created at the level of the BSR." *Impact Assessment Summary. Commission Staff Working Document Accompanying the Communication Concerning the European Union Strategy for the Baltic Sea Region*, Brussels, June 10, 2009, SEC [2009] 703, p. 5.

suggested that the Council fuse with the Northern Dimension, which could possibly have spelled its dissolution. Bildt’s effort did not resonate with the Council, particularly because it had apparently been made with little preparation and no previous consultations.[66] Ultimately, however, the initiative started a reform process, which led in 2008 to the CBSS now being oriented in accordance with expressly pragmatic and project-oriented operating principles.[67] While the Council thereby maintained its existence, it had yielded its claim to being the leading political council for regional co-operation. Whether the CBSS can find a new role within the framework of the macro-regional EU strategies – and if so, then what sort of role – remains an open question.

In the Danube region, on the other hand, the discussion has been more directed towards the question of whether the EU strategy calls for, or even requires, the creation of new institutions. Unlike the Baltic Sea region, the transnational institutional landscape here has thus far remained weakly developed. Over the course of the preparations for the Danube Strategy, a Council of the Danube Cities and Regions was therefore established in June 2009. It should increase communal and regional co-operation within the Danube region, while also serving to represent (macro) regional interests in the European institutions (Commission, Council, Parliament, CoR).[68] Farther reaching considerations – for example the founding of a transnational Danube council following the model of the CBSS – have so far received no support. In light of the relatively large number of third states that are included in the macro-region and at the same time entertain prospects of joining the EU, this sort of Danube council could be entirely sensible.

The current geopolitical situation in the Danube region is roughly comparable to the stage of development within the Baltic Sea region in the 1990s. At that time, the CBSS contributed substantially to the convergence of Poland and the Baltic States with the EU.[69] Today, a Danube council could play a similar role – over the short term in the case of Croatia, the medium term for Montenegro and Serbia, and the long-term for Bosnia-Herzegovina, Moldavia and the Ukraine. In any case, it can be expected that the discussion over the appropriate institutional form for macro-regional policy will not cease in the foreseeable future for the Baltic Sea or the Danube region.

66 Tobias Etzold, *Live and Let Die: Adaptability and Endurance of Regional Organisations in Northern Europe*, unpublished dissertation, Manchester Metropolitan University, July 2010, Chapter 4.

67 Council of the Baltic Sea States (CBSS), *Declaration on the Reform of the Council of the Baltic Sea States*, CBSS Ministers’ Deputies Meeting, Riga, June 3, 2008; ibid., *Terms of Reference*, adopted by the Council through written procedure, April 2009.

68 The council currently includes 32 cities on the Danube from Baden-Württemberg, Bavaria, Austria, Hungary, Serbia, Romania and Bulgaria. See European Conference of the Danube Cities and Regions, *Final Declaration of the IVth Conference*, Budapest, June 11, 2009; “EU-Donaustrategie wurde in Ulm auf den Weg gebracht”, Website of the city of Ulm, [June 2009], www.ulm.de/ueber_ulm_hinaus/eu_donaustrategie _ wurde_in_ulm_auf_den_weg_gebracht.74533.3076,4082.htm (retrieved on November 29, 2010).

69 Carsten Schymik, “Im Vergleich: Der Ostseeraum als Region – Strukturen, Aktivitäten und Entwicklungstendenzen”, in: Rudolf Hrbek and Hartmut Marhold (eds.), *Der Mittelmeerraum als Region*, Tübingen: European Centre for Research on Federalism, 2009 (Occasional Papers No. 35), pp. 148–152.

Transferability of the Macro-Regional Concept to the EU

The macro-region's paradigmatic potential depends not only on whether this operational level is manifested through legislative, financial or institutional mechanisms. It is also crucial whether or not the concept of the macro-region is even suitable for being expanded across the entire EU territory. Principal regions within the EU are not a new phenomenon. The Commission is implementing 13 transnational programmes within the framework of European Territorial Co-operation, which correspond with an extensive network of European principal regions. One of these aid programmes is the "Baltic Sea Region Programme", whose geographical boundaries are identical to those of the Baltic Sea macro-region.[70] It would be reasonable to reinterpret other transnational programme regions as macro-regions, namely the "North Sea Region", the "Alps Region" the "Atlantic Area" or the "Northern Periphery". The latter includes all North Atlantic areas between Ireland/Scotland, the Nordic states and the Faroe Islands, Iceland and Greenland. The majority of transnational programme regions, however, were obviously not created with the intention of defining strategic units. Instead, the largest regions in particular – "Northwest Europe", "Southwest Europe", "Central Europe" and "Southeast Europe" – are bureaucratic constructs, which are meant to serve primarily to ensure a balanced distribution of European subsidies. The current regional system therefore does not provide a basis for dividing the entire EU into macro-regions.

The European Commission defines the macro-region as "an area covering a number of administrative regions but with sufficient issues in common to justify a strategic approach".[71] According to this understanding of the term, an expansion of macro-regional units across the entire EU would entail four conceptual requirements, namely: (1) multifunctionality; (2) transnationality; (3) symmetry; (4) part of EU territory. These four characteristics were important and, to some extent, indispensable conditions for developing the Baltic Sea and Danube strategies. In order to comprehensively expand the macro-region concept, it is therefore necessary to identify territorial units, which fulfil a minimum of these characteristics.

Multifunctionality: The Baltic Sea provides a nearly ideal context for macro-regional policy, because it is united by a number of functional characteristics. Since it is a mostly landlocked sea, it represents a natural unit and therefore a sufficiently definable ecosystem, which poses the same environmental problems and challenges to all the states bordering the sea. At the same time, the Baltic Sea is a region of maritime mobility, that is, a distinct unit in regard to the steering and regulation of transport streams through and around the sea. Furthermore, seas are typically also areas characterised by trade and economic activity. Ultimately, these various functional characteristics cause shared security problems. The Baltic Sea region therefore provides a natural basis, so to speak, for the multi-dimensional approach of the EU strategy with its four pillars of environment, economy, infrastructure and security.

A concept of the macro-region as a natural area can be transferred to the entire EU. In principle, every part of Europe can be classified within one or more natural areas or ecosystems. The coastal areas of the European sea regions (North Sea, Atlantic, Mediterranean, Black Sea) or the maritime subregions (e.g. Adriatic, Aegean, English Channel) would, by themselves, already cover large portions of the EU as macro-regions. If one takes into account the respective catchment areas, the EU territory could theoretically be entirely subdivided into macro-regions defined in a maritime sense (Figure 3, p. 24). As shown by the example of the planned Danube Strategy, other natural regions could also serve as the basis for macro-regions, i.e. rivers (e.g. the Rhine), mountains (e.g. the Alps), or seas (e.g. Lake Constance). It is not difficult to identify natural areas or ecosystems covering all of Europe.

Problems are posed, however, by the fact that many natural areas only have a few "common issues" outside of the environmental dimension, which would "justify a strategic approach". While it is true of the European sea regions that they – like the Baltic Sea –

70 European Commission, *Operational Programme 'Baltic Sea Region'*, http://ec.europa.eu/regional_policy/country/prordn/details_new.cfm?gv_PAY=LV&gv_reg=ALL&gv_PGM=1293&gv_defL=7&LAN=4 (retrieved on February 2, 2010).

71 European Commission, *Communication on Baltic Sea Strategy* [same as footnote 13], p. 5.

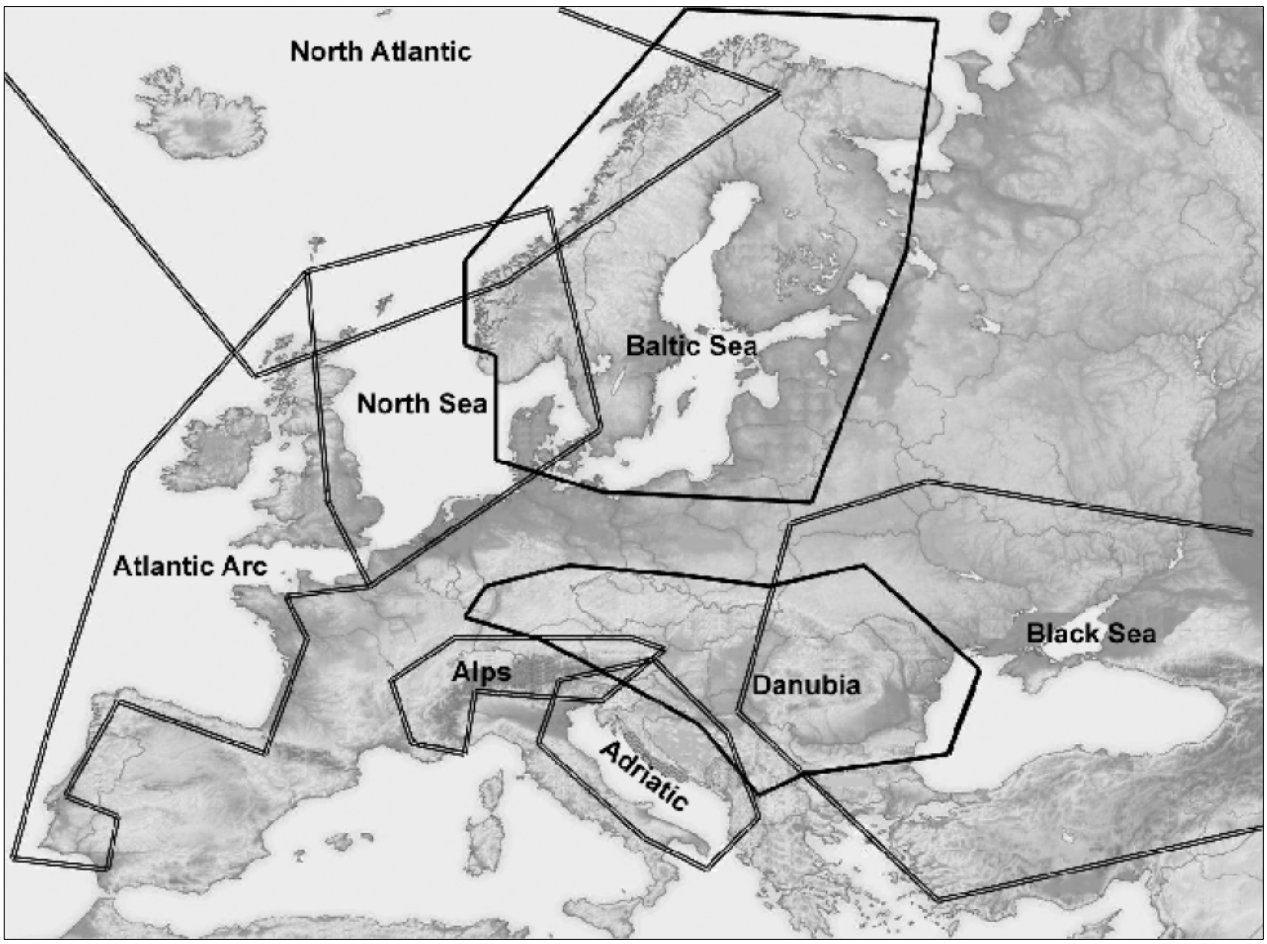
Figure 3
Natural Division of Europe according to Catchment Area

Source: Adapted from Wikipedia Germany (Sansculotte, June 2004).

represent not only ecosystems, but also transportation, trade, economic and security regions that have evolved over the years, this only holds true in some respects for non-maritime regions. The Danube region, for example, cannot be described today as a distinct area for trade and economic activity. The key focus here is to begin developing that certain functional quality, which is a given in the Baltic Sea region, provided that this could also be improved upon. The same can be assumed for many other natural areas in Europe. In these cases, the macro-regional potential has to be gradually developed "from above", while this has already grown up in the Baltic Sea region "from below".

Transnationality: The Baltic Sea and Danube macro-regions are comparatively large. Together, they include the majority of the member states and around half of the total territory of the EU (cf. Table 1, p. 9).

Figure 4
Existing and Potential EU Macro-Regions



Source: Author's Compilation; Map of Europe: Wikipedia (San Jose, April 2, 2006).

The transnational character of both regions is therefore particularly distinct. Many potential macro-regions, however, do not yet have transnational proportions. Important rivers like the Vistula or the Loire, or large bodies of water like the Lake Vänern or Lake Balaton, rest entirely within the territory of an individual member state. Other regions only have binational or trinational dimensions, for example the Oder region between Germany and Poland, the Pyrenees between France and Spain (including Andorra) or the Aegean between Greece and Turkey. Geographically, these potential macro-regions are concentrated within the hinterland of the European sea regions. All of these areas seem to be too small to be afforded macro-regional qualities.

What is the minimum degree of transnationality that a cross-border European region needs to demonstrate to be considered a macro-region? Interestingly, the Commission officially leaves this question open to interpretation by only referring to macro-regions as areas comprised of "a number of administrative regions". Pawel Samecki, former Commissioner for Regional Policy, further specified this macro-region definition by stating that while no specific geographical size is implied, it is probably a requirement that there are a number of regions in multiple states, although the number of member states involved should be considerably smaller than the entire Union.[72] Samecki therefore also avoided giving a concrete minimum for the number of member states, and instead focused on the upper limit on the number of participants. The macro-region must, however, undoubtedly exceed a certain minimum size in order

72 Samecki, *Macro-regional Strategies* [same as footnote 13], p. 1.

to build a new, independent operational area within the EU. European programmes like Interreg or the Framework Programme for Research require actors from at least three member states as a criterion for giving support. According to such a guideline, a minimum of three member states would also be required in the case of macro-regions. If one follows this stipulation, however, it would be practically impossible to identify macro-regional units across the entire EU, particularly with a view towards large states like France, Spain, Poland or Germany.

Symmetry: The Baltic Sea macro-region is distinguished by not only having a comparatively large number of participating states, but also a relative balance among them. Six of the eight states in the region have populations of between 1.3 and 8.9 million and are therefore among the EU's smaller member states. In regard to the two larger states, Germany (82 million inhabitants) and Poland (38 million), it must be taken into account that these states focus their Baltic Sea co-operation on the regions close to the coast, where in Germany's case (Mecklenburg-Western Pomerania, Schleswig-Holstein, Hamburg) around 6.3 million people live and in Poland's case (Western Pomerania, Pomerania, Warmia-Masuria), approximately 5.3 million. A more differentiated analysis therefore shows that Germany and Poland are also "small" member states. The structure of the Baltic Sea co-operation area can accordingly be characterised as relatively symmetrical.

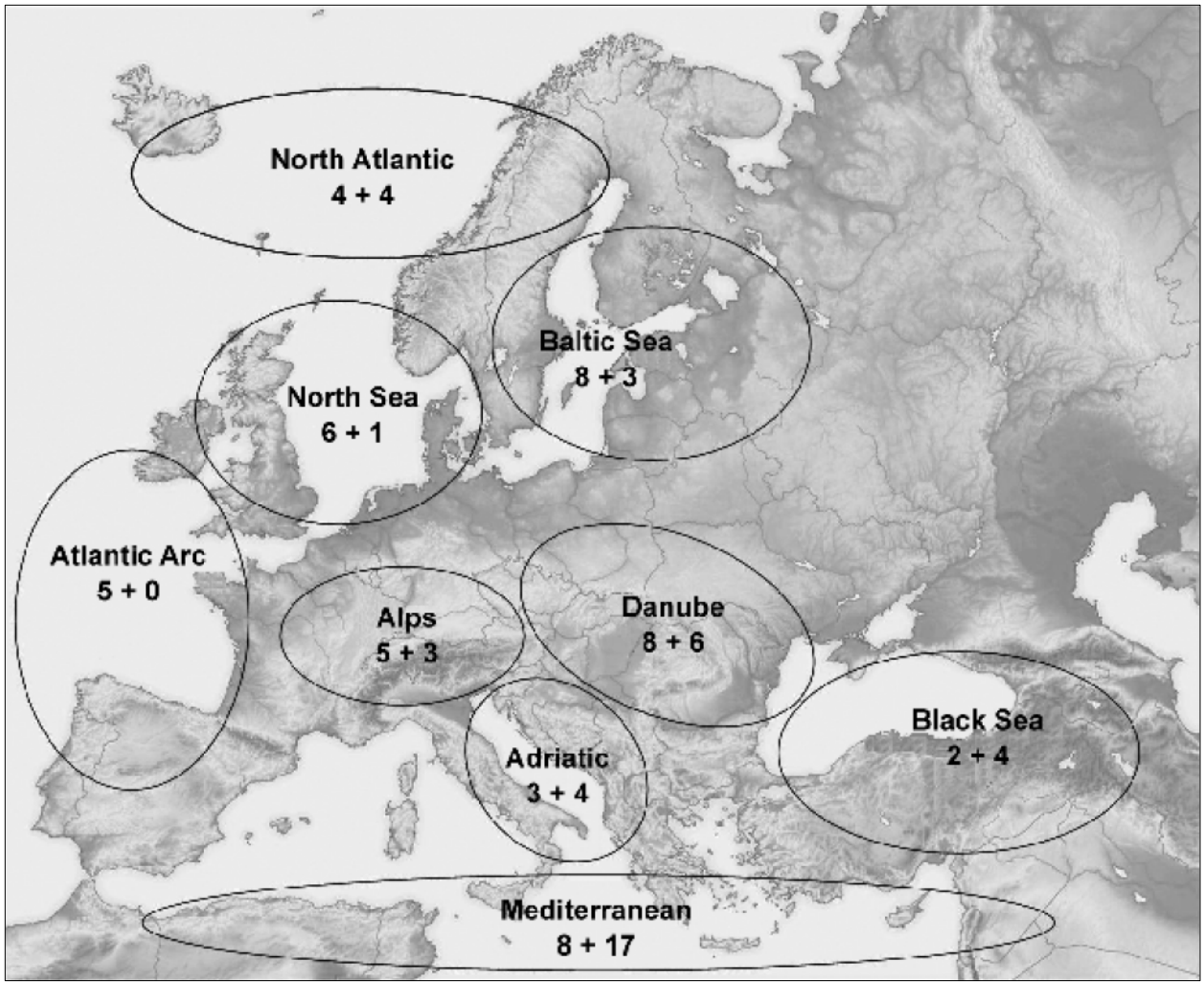
The size differences within the Danube region are more pronounced, but the region still has a relatively symmetrical composition. Germany's participation in this strategy is concentrated in Baden-Württemberg and Bavaria, but these two Federal States include a total of 23.2 million inhabitants – this places them over Romania in terms of population, which is the region's second most populous member state. The number of inhabitants in the other participating states ranges from 2 to 10.5 million, respectively. While the most populous member state in the Baltic Sea region (Sweden) is around seven times larger than the smallest (Estonia), the Danube region's most populous participant (Bavaria/Baden-Württemberg) is more than eleven times as large as the smallest member state (Slovenia).

The structural symmetry within the Baltic Sea and Danube regions proves to be beneficial in terms of macro-regional aspects. The states in both regions have an equal incentive to raise their stature and influence within the European and global communities through transnational co-operation. In other potential macro-regions in Europe this equal incentive is limited or nonexistent. Regions like the Alps and North Sea would be dominated by a small number of large states unless their participation is as concentrated on the subregional level as is the case in the Baltic Sea region. In a number of cross-border regions, however, this sort of differentiated approach wouldn't even pose a promising option. This applies to the Adriatic Sea, for example. Along its Eastern coast are a multitude of small states (Slovenia, Croatia, Bosnia Herzegovina, Montenegro, Albania), while the Northern and Western limits are bordered solely by Italy. Even if Italy's participation were limited to the regions along the coast, a distinct asymmetry would emerge in the macro-regional co-operation. Italy's seven regions along the Adriatic contain around 18 million people; this corresponds to 3 million more people than in all five nation states along the Adriatic's Eastern side combined. While the most populous participating states in the Baltic Sea and Danube regions have seven and eleven times as many people as the smallest, respectively; in the Adriatic the most populous state has nearly 27 times as many people as the smallest.

Part of EU Territory: Lastly, the Baltic Sea and Danube macro-regions are also characterised by the fact that they predominantly lie within the EU's territory. In the Baltic Sea region, eight of the nine coastal states are EU members; in the Danube region, six of the ten states along the river are part of the Union. Irrespective of the inclusion of third states like Russia or the Ukraine, both strategies are largely *internal* EU strategies. Other potential macro-regions would also touch on the territories of third states, for example Switzerland and Liechtenstein in the Alps region, Norway in the North Sea region, or Greenland and the Faroe Islands in the North Atlantic. The participation of third states would therefore be more of the rule than the exception if the macro-regional concept were to be expanded across the EU.

Potential macro-regions in other parts of Europe, however, would not always be of an internal nature (Figure 5). In the North Atlantic ("Northern Periphery"), for example, four member states an equal number of third states and autonomous territories would be facing each other. EU member states would be in the minority in both the Adriatic as well as the Black Sea regions. The Mediterranean is also largely surrounded by states that are not part of the EU and foster no prospects of joining it. For this reason,

Figure 5
Composition of Existing and Potential Macro-Regions in Relation to EU Member States and Third States



- *North Atlantic* (4 + 4): Great Britain, Ireland, Sweden, Finland + Norway, Iceland, Faroe Islands (DK), Greenland (DK) (= composition of transnational programme area "Northern Periphery")
- *North Sea* (6 + 1): France, Great Britain, Belgium, Netherlands, Germany, Denmark + Norway
- *Baltic Sea* (8 + 3): Denmark, Sweden, Finland, Estonia, Latvia, Lithuania, Poland, Germany + Russia, Norway, Iceland
- *Atlantic Arc* (5 + 0): Portugal, Spain, France, Great Britain, Ireland
- *Alps* (5 + 3): France, Germany, Austria, Italy, Slovenia + Switzerland, Liechtenstein, Monaco
- *Adriatic* (3 + 4): Italy, Slovenia, Greece + Croatia, Bosnia-Herzegovina, Montenegro, Albania
- *Danube* (8 + 6): Romania, Bulgaria, Hungary, Slovenia, Slovakia, Czech Republic, Austria, Germany + Bosnia-Herzegovina, Croatia, Moldavia, Montenegro, Serbia, Ukraine
- *Mediterranean* (8 + 17): Spain, France, Italy, Slovenia, Greece, Malta, Cyprus, Great Britain (Gibraltar) + Morocco, Mauretania, Algeria, Tunisia, Libya, Egypt, Israel, Palestinian Territories, Lebanon, Syria, Jordan, Turkey, Albania, Montenegro, Bosnia-Herzegovina, Croatia, Monaco (= EU riparians + member states in the Union for the Mediterranean)
- *Black Sea* (2 + 4): Bulgaria, Romania + Turkey, Georgia, Russia, Ukraine (only riparian states)

Source: Author's Compilation; Map of Europe: Wikipedia (San Jose, April 2, 2006).

neither the Union for the Mediterranean nor comparable co-operation formats in the Black Sea region are compatible with the macro-region concept as it is currently being tested in the Baltic Sea and Danube strategies. Potential Mediterranean or Black Sea macro-regions would instead constitute EU Neighbourhood Policy areas, while an Adriatic macro-region could be conceived as a European enlargement policy area. Either way, macro-regional strategies in these regions would be of a fundamentally different nature. Instead of being internal strategies like in the Baltic Sea or Danube regions, they would constitute external EU strategies.

Conclusions

The European Union has initiated a model experiment with its macro-regional strategies for the Baltic Sea and Danube regions. On the one hand, this is a promising project. The setting of political focus on the areas of environment, economy, infrastructure and security is plausible and largely corresponds with the problem agenda as it is also perceived by actors in the region. At the same time, there is a productive compatibility between the strategies and the EU's important horizontal policy areas, particularly the Europe 2020 strategy and the development of trans-European network programmes. Furthermore, the financial resources and political management of the strategies appear to be adequate. In short, the diagnosis is correct as is the problem solving approach.

On the other hand, it is debatable whether the macro-regional strategies can really be implemented, because they are not without shortcomings. A strategy requires a clear relation between means and ends, the sort that has thus far not been entirely evident in the Baltic Sea and Danube strategies. The financial resources available to the strategies cannot be clearly estimated; progress towards the political objectives is likewise difficult to measure. In order to overcome these serious deficits, one should consider developing a virtual balance sheet, which compares all of the "revenues" and "expenses" pertaining to the macro-region. In addition, the current system for measuring results, which is rudimentary at best, should be expanded so that it provides concrete and measurable indicators for the implementation of the strategy action plans. If a correlation between expenditures and political returns can be visibly demonstrated, it can also be reasonably expected that the European public will view the EU strategies in the Baltic Sea and Danube regions as successes.

With regard to the EU's political system, the Baltic Sea Strategy provides little opportunity for legislative or political objections. In accordance with the "three no's", the strategies require no new budget lines, no new institutions and no new laws from the EU. To this extent, the macro-region integrates itself into the existing multi-level EU system without any trouble. It cannot be excluded, however, that the model experiment will develop outwards in the future beyond this narrow context. While the "three no's" have not been directly called into question, there are indications of a growing readiness vis-à-vis "soft" reforms with which the macro-region could gradually adopt visible contours – e.g. through "law-shaping" in the legislative and "earmarking" in the financial sector. The macro-region model experiment can therefore certainly be regarded as having paradigmatic potential, even if this does not materialise directly in the form of new laws, budget lines or institutions on the EU level.

The thing that has stood out within the context of the model experiment is above all an increase in the inter-governmental co-operation in the EU. As was demonstrated by the genesis of the Baltic Sea and Danube strategies, the macro-regional process will be largely driven on by the member states in the affected regions in co-operation with the Commission. As long as this now visible dynamic remains, the macro-regions could develop into political centres of gravity within the EU – to venues for increased co-operation without this term being used in the sense of the European Treaties. In the Baltic Sea and Danube regions, core groups of member states have come together to exercise influence in an informal manner over the EU as a whole, without formally constituting parts of the political operational level.

Nevertheless, it would be premature to proclaim the emergence of a new intermediary policy level within the EU. Whether or not it does indeed come to this point depends not only on the successful implementation of the Baltic Sea and Danube strategies, but also on a continuation in the conceptual development of the macro-regional policy approach. If macro-regions are to cover the EU's territory, problems will arise that will appear to be surmountable, but certainly won't be solved without some effort. Macro-regional strategies are based on a territorial functional conception of regions, which primarily start from natural units, but don't allow themselves to be reduced to such. While comparable cross-border regions can be found across the entire EU in connection with seas, rivers or mountains, not all of these potential macro-regions lay claim to multi-dimensional functionality including ecosystems, but also trade, eco-

nomic, and security regions. At the same time, it is impossible to sensibly classify some subregions of the EU into a macro-region, if these regions are also supposed to have transnational proportions. Furthermore, the Baltic Sea and Danube regions are characterised by a relatively high degree of structural symmetry in their compositions, while other potential macro-regions would be dominated by a single large member state. Finally, the Baltic Sea and Danube are virtually inland waters of the EU, which means that one is dealing here principally with *internal* EU strategies – irrespective of the inclusion of third states. Other European maritime regions like the Mediterranean or the Black Sea, on the other hand, are largely surrounded by states that are not part of the EU, which would mean macro-regional strategies in these areas would constitute *external* strategies.

It is conceivable that the future development of the macro-regional concept could proceed in two opposite directions. Within the EU, the example set by the Baltic Sea region suggests that macro-regions should be given priority in maritime regions, because this is where the synergistic effect of the EU's regional and maritime policy objectives would be strongest. Beyond the European maritime regions, however, are large expanses of continental hinterland, particularly in the large member states – like France, Spain and even Germany (e.g. Hesse and Thuringia). While meaningful macro-regional units could likewise be established in these territories along rivers or mountain ranges, these could not be characterised as "European" insofar as they would be contained largely or entirely within an individual member state. In other words, the question arises as to whether regions which touch on just one or two member states can be given a European character in the sense of macro-regions.

A view to the EU's external borders, however, provides a different prospect for the development of the macro-region concept. If strategies like those in the Baltic Sea and Danube regions are to exclusively internal EU strategies, then this would exclude an expansion of the macro-region concept to the Black Sea or Mediterranean. Alternatively, it is conceivable that this concept could be further developed into an instrument of EU foreign policy. Two such variants could arise: either as an enlargement area like in the Adriatic, where the macro-regional strategy serves primarily to prepare and integrate future member states, or as a neighbourhood region like in the Mediterranean, where the macro-region could provide a stable framework for strategic co-operation with states in North Africa and the Middle East. In both cases, the macro-region model experiment would take on a decidedly different character than has thus far been intended in the Baltic Sea and Danube regions.

The macro-region model experiment carries greater relevance for the Federal Republic than for any other EU state. Germany is not only the sole member state lying within the Baltic Sea and Danube regions, it is also the country that would probably be a part of the greatest number of different macro-regions if the macro-regional concept is expanded across the EU (e.g. North Sea, Alps). At the same time, Germany plays an exemplary role within the context of the model experiment because its participation in terms of macro-regional policy is primarily directed by the Federal States. Subnational actors across the entire EU will pay close attention to how the Federal States develop in this role. These states are being presented with the opportunity to gain an increased level of influence over European policy through their macro-regional co-operation. The main challenge facing them is to achieve improved co-operation horizontally among the different states as well as vertically with the federal level. So it falls to Germany, which only partially belongs to the Baltic Sea and Danube regions, to demonstrate that subnational actors can be just as efficient and effective in contributing to the success of macro-regional strategies as national actors.

The success of the macro-region model experiment depends on whether the EU strategies in the Baltic Sea and Danube regions can be implemented. The decisive factor here is if the member states in the regions can generate enough willpower for political co-operation and maintain this over a longer time period. In the case of the EU's Northern Dimension, created in 1997, it took around a decade before the format for co-operation was successfully consolidated. In the case of the macro-region model experiment, a comparably long period of time should be laid out in order to ultimately judge the level of its success.

Abbreviations

ARI	Análisis del Real Instituto Elcano (Madrid)
BSPC	Baltic Sea Parliamentary Conference
BSR	Baltic Sea Region
BSSSC	Baltic Sea States Subregional Co-operation
CBC	Cross-Border Co-operation
CBSS	Council of the Baltic Sea States
CEIS	Compagnie Européenne d'Intelligence Stratégique (Paris)
CeSPI	Centro Studi di Politica Internazionale (Rome)
CoR	Committee of the Regions
DG REGIO	Directorate-General Regional Policy
DIIS	Danish Institute for International Studies (Copenhagen)
EC	European Council of the Heads of State and Government
EFRE	European Fund for Regional Development
EIS	Europe Information Service
ENPI	European Neighbourhood and Partnership Instrument
EP	European Parliament
ERDF	European Regional Development Fund
ESF	European Social Fund
EUSDR	EU Strategy for the Danube Region
HELCOM	Helsinki Commission (Baltic Marine Environment Protection Commission)
MoEP	Member of the European Parliament
ND	Northern Dimension
NGO	Non-governmental organisation
SIEPS	Svenska institutet för europapolitiska studier (Swedish Institute for European Policy Studies, Stockholm)
TEN	Trans-European Networks
UBC	Union of Baltic Cities
UKIE	Urząd Komitetu Integracji Europejskiej / The Office of the Committee for European Integration (Warsaw)