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Macro-Regions of Europe: Old Wine in a New Bottle?

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1. INTRODUCTION

The concept of macro-regions was born from **an initiative of the Baltic countries**. The national governments and an informal group of members of the European Parliament (the Europe Baltic Intergroup) from the Baltic States have undertaken constant efforts to propose a new transnational development strategy for this region to both the European Council and Commission. The Swedish government took great part in promotion and political lobby. The strategy was adopted by the European Council in October 2009 during the Swedish Presidency. **Decisive factors** included the **explicit political will of the national governments** of the area and the promotion of consensus at diverse levels. Moreover, legislative, institutional and financial pressure was not placed on the European Union (EU) in order to avoid any potential hostilities from Member States not pertaining to the area of interest.

The European Commission has taken part in the definition of the strategy of the macro-regions; and now recommends its implementation in other areas, such as the Danube area. Therefore, this strategy opens doors to new opportunities of territorial development, while placing emphasis on several **fundamental political issues**. The macro-regional strategy would, thus, seem to constitute a **pragmatic approach** to the need of finding new modalities of rendering public policy more efficient in a vast cross-border multi-level area, better coordinating existing institutions and resources. But it is **also an innovative political experiment**. The macro-region represents a new governance level “*located between the nation state and the supranational community*”¹. It involves together local, regional, national and Community levels in a transnational and interlinked geographic scale.

However, can a different approach with the same actors (national governments in the front row) have greater efficiency than existent inter-governmental institutions? In other words, can a new bottle transform old wine into a better product? Furthermore, can the pragmatic profile of the macro-regions deal with issues and structural conflicts among stakeholders when, instead, a more ambitious line of action seems called for?

These queries seem to be rather valid for the Baltic area; but perhaps are even more so for the **Mediterranean case**, where several actors have already started to ponder the feasible applicability of the macro-region strategy and related implementation modalities. This document intends to introduce the macro-region strategy and define the issues at hand in order to launch a debate and subsequent analysis of possible scenarios involving a macro-region of the Mediterranean.

Following is defined a series of elements that constitute a macro-region strategy, each correlated to relevant issues of debate.

¹ Schymik Carsten e Krumrey Peer, *EU Strategy for the Baltics Sea Region. Core Europe in the Northern Periphery?*, Working Paper FG1, Stiftung Wissenschaft und Politik, Berlin, 200

2. TENSIONS OF THE MACRO-REGIONAL STRATEGY

The concept and strategy of the macro-region is illustrated in the Communication from the Commission concerning the European Union Strategy for the Baltic Sea Region² and in the following Council Conclusion³; it is divulged in a paper drafted by the European Commission⁴ and it is reiterated in the Guidelines of future social cohesion policy⁵. **The macro-region is a strategy that contributes to “Europeanization”**, where every institutional level takes part in a positive-sum game: the local and national levels are protagonists in the establishment of a space and in the achievement of a goal linked to regional development that crosses the frontiers, making it possible to deal with common problems with a beneficial impact for all participating parties, contributing to strengthen the unity of Europe. The strategy is **multi-level** and **multi-actor** given that it aims to include various stakeholders. This strategy has been proposed amidst the framework of territorial policy of social cohesion.

Firstly, emphasis goes to the issue on whether or not **the creation of macro-regions helps constitute a modality apt at strengthening the European process or whether it creates new divisions and tensions**. As indicated by Bengtsson, the issue regards a “*community challenge*” (2009: 7)⁶: the macro-region is a form regionalisation inside the EU (intra-regionalization) that, obviously, benefits those territories that are involved first-hand; yet, requires the solidarity of all Member States of the EU. Due to such reason, as shall be highlighted hereafter, the Commission must notify the European Council in regards to the evolution of such macro-regions, showing that added value exists for the entire EU.

Yet another issue concerns the interaction and relations among various institutional levels and actors, meaning the governance architecture and possible **tensions among the various powers**, as indicated by Dubois, Hedin, Schmitt and Sterling (2009: 39)⁷. According to these analysts, standing relations among these actors (central and sub-national governments, social and economic actors) could well nurture conflicts in regards to tenure and command over the macro-regional strategy and regulatory, financial and communicative power.

² Commission of the European Communities, Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions concerning the European Union Strategy for the Baltic Sea Region, COM(2009) 248 final, Brussels, 10.06.2009

³ Council of the European Union, Brussels, Council Conclusions on the European Union Strategy for the Baltic Sea Region, 27 October 2009

⁴ European Commission (2009), Macro-regional strategies in the European Union, http://ec.europa.eu/regional_policy/cooperation/baltic/pdf/macrorregional_strategies_2009.pdf

⁵ Pawel Samecki, European Commissioner in charge of Regional Policy, Orientation Paper on Future Cohesion Policy, December 2009.

⁶ Rikard Bengtsson, *An EU Strategy for the Baltic Sea Region: Good Intentions Meet Complex Challenger*, Sieps - Swedish Institute for European Policy Studies, European Policy Analysis, Septemer, Issue 9-2009.

⁷ Alexandre Dubois, Sigrid Hedin, Peter Schmitt, Josè Sterling, *EU macro-regions and macro-regional strategies – A scoping study*, Nordregio Nordic Centre for Spatial Development, Norden – Nordic Council of Ministries, Swedish Presidency of the EU, Nordregio electronic working paper 2009:4.

3. FUNCTIONAL MACRO-REGIONS: ON WHICH SCALE?

The definition is as follows: the macro-region is “*an area including territory from a number of different countries or regions associated with one or more common features or challenges (...) geographic, cultural, economic or other*” (European Commission, 2009: 1 and 7). **This definition addresses functional macro-regions**, which are therefore defined in function of common cross-border challenges and opportunities that require a collective action (aspect highlighted in regards to environmental problems where the action of a single actor yields no efficient result, thus **requiring a combined involvement** of a converging action of various actors). The adoption of a functional approach gives rise to possible **variable geometries in the definition of the macro-regional scales**, meaning that different spatial scales can be defined in accordance to the function. Nevertheless and obviously, the macro-regional area must always encompass an inferior number of Member States in comparison to the whole of the EU.

To this avail, the **issue concerning the delimitation of the scale** takes centre stage. Which territories and regions are encompassed into a macro-region? Who is in and who is out? According to the concept of functional regionalization, the scale is determined by the type of problem at hand and nature of opportunities sought. In relation to the Baltic case, the pending issue concerns the eutrophication of the sea as consequence of the pollutant discharges of the surrounding territories. Handling this problem means demarcating the macro-region to the group of catchment areas of these territories. A similar approach can be more or less valid in light of the problems and opportunities. Technical and objective criteria concerning functionality are not always able to circumscribe precise and demarcated areas. In regard to R&D (second pillar of Baltic macro-regional strategy), local and regional systems are increasingly linked to centres of other continents and global transnational techno-structures. How is it possible to circumscribe techno-scientific relations in a single region? Furthermore, the issue of such scale clearly bears political weight in interpreting the functionality criteria in view of the various interests at play.

4. THE ADDED VALUE OF THE MACRO-REGIONS: IS IT AN INTEGRATED APPROACH?

The added value (European Commission, 2009: 1 and 7) of the macro-regional strategy consists in the **integrated approach**, which, in other words, is a collective action that strives towards a common objective, integrating various actors, policies and financing plans. Cross-border issues are handled collectively in order to yield greater efficiency than compared to efforts undertaken individually and in a fragmented manner. The added value in terms of impact also regards the definition of “**optimizing**” **scales** in function of the objective at hand; generally operating in a “*relatively small group*” (European Commission, 2009: 1), with foremost endeavour towards the achievement of tangible and concrete *flagship projects*.

Strategy efficiency depends on the outcome of **two tests**: the market & policy failure test, which indicates that the strategy should be established in realities where the current market and political structures yield sub-optimal results; and the second test on indispensability, which states that macro-regional projects should be undertaken if they are relevant and important. This means that they “*must*” be included otherwise the strategy would be devoid of sense, they “*should*” be included in order to foster and increase both efficacy and efficiency, they “*can*” be included to sustain

various essential actions (European Commission, 2009: 7).

In this case, the true issue at hand is **whether the integrated approach is really integrated or not**. In Annex 1 there is a chart that shows an ample range of priorities of the Baltic macro-regional strategy, containing a list of numerous initiatives. This implies a weak strategy focus, as if seeking the consensus of different stakeholders. This highlights the “*efficiency challenge*” of macro-regional strategy (Bengtsson, 2009: 6). Without proper focus, there is a loss of expected added value of the strategy, failure to implement criteria apt at concentrating on few significant projects, and, above all, failure to observe the inter-dependency linking the various priorities. From this point of view, the approach fails to introduce any innovation and differences in comparison to those adopted in other programs, such as, for example, the approaches to territorial cooperation.

5. MACRO-REGIONS WITHOUT LEGISLATION: WHO TO LEGITIMISE?

No new legislation: macro-regional strategy requires no new ad hoc legislation. The main content is the preparation and implementation of a **Plan of Action** that derives from a strategic paper mostly drafted by national governments and the European Commission through a consultative approach. It is an endogenous “bottom up” process: contrary to policies that descend from a communitarian strategic approach, the macro-region establishes its strategy through the involvement of local actors (European Commission, 2009: 8). Furthermore, the Plan of Action is concrete and contains tangible effects thanks to the identification of flagship projects.

The pending issue is prominently of political nature, and has already been addressed in item 2, **is macro-regional strategy truly “bottom up” or does it constitute a means of policy re-nationalization?** It is rather obvious that the central governments were the main actors in the creation of the Baltic macro-region. Consequentially, agencies such as the Conference of Peripheral Maritime Regions (CRPM) and the Assembly of European Regions (AER) question the effective role of sub-national governments in macro-regional strategy. “*Looking at how the Strategy will be implemented, here again the role of sub-regional authorities is a secondary one*” (CRPM, 2009: 4)⁸. AER writes: “*In spite of the proclaimed territorial approach, the initiative seems to remain top-down and member-state-driven ... with limited democratic legitimacy ... (and) ... If the role of regions in these macro-regions is merely consultative, there will be no improvement in the design and implementation of cohesion policy*” (AER, 2009: 14)⁹

Furthermore, Schymik and Krumrey (2009: 10) indicate a basic contradiction among the stakeholders: “*on the one hand, many are advocating a bottom up approach ... On the other hand there are also voices calling for a strong leadership or top down leadership ... (for a) more effective implementation of the action plan*”. Thus, a just balance between the legitimisation and the efficacy of the macro region strategy should be identified, reverberating the general search for a balance between legislative and government powers in democracy.

To this regard, the Position Paper on the EU Strategy for the Baltic Sea Region put forward by

⁸ CRPM, *Some elements of analysis on the development of macro-regional strategies*, Technical paper from the CRPM General Secretariat, 16 November 2009.

⁹ AER, *AER Recommendations on the Future of Cohesion Policy post-2013*, www.aer.eu

Regional and Local Authorities networks¹⁰, proposed a model of governance that tried to combine top-down and bottom-up processes. It consisted of “two main bodies with the European Commission as chair, a decision-making body and a Baltic Sea Forum, the consultative body” (2008: 10). The first should involve elected representatives from different national, regional and local levels to define and agree on objectives and projects; while the second should encompass the different actors, also from outside the EU, to discuss and propose projects (see Annex 2). This proposal was not accepted and another governance model is now implemented (see item 7).

6. MACRO-REGIONS WITHOUT AD HOC FUNDING: WHAT ARE THEIR COORDINATING CAPABILITIES?

No new funding: macro-regional strategies require no ad hoc funding. Though this aspect may be seen as a weakness, it seems to constitute an innovative factor, given that all actors are stimulated towards a **greater degree of coordination and synergy of the various financial resources available at different levels**. Indeed, the actors cannot rely on specific resources for the macro-region, thereby avoiding conflict over distribution. According to the Commission, the resources can be incorporated into administrative costs linked to macro-regional constitution and costs relevant to flagship project implementation. The first category of costs covers macro-regional foundation and governance process; and holds symbolic and political importance for the phase itself. However, they can be “*below the line*” and in charge of “*existing departments*” at different institutional level as stakeholder contributions. Resources for project realization may originate from the joint coordination of various resources, such as community funds and contributions from International Financial Institutions. Nevertheless, a motion has been put forth for **future macro-regions to have the opportunity of relying on ad hoc funding** (European Commission, 2009: 3). Resource partition shall most likely rely on a competitive process instead of typical national distribution.

In this case, the issue at hand regards **the feasibility and manner of coordination of different resources, in view of the various programs, policies and relative institutions**. Coordination should be implemented among different resources at national and regional/local levels, as well as in regards to all policies and programs of the EU. This scenarios constitutes a complex governance problem, it is a “*governance challenge*” (Bengtsson, 2009: 7). In the greater picture of tensions among powers, previously stated (items 2 and 5), underlying coordination tensions exist between institutions and instruments (Dubois, Hedin, Schmitt and Sterling, 2009: 39). In particular, the Baltic case shows tension between the macro-regional strategy mainly supported by the DG Regional Policy of the European Commission and the integrated maritime policy put forth by DG Mare (CRPM, 2009: 3). Further tension regards the relations between the Commission and central and sub-national governments, between the macro-regional strategy and other institutional structures and financial programs such as Euroregions, the European Group for Territorial Cooperation (EGTC), and the operative programmes of territorial cooperation with their strategic projects.

Another issue is constituted by the willingness of the states to accept a competitive structure, which

¹⁰ BSSC, B7 Baltic Islands Network, Euroregion Baltic, Baltic Development Forum, CPMR- Baltic Sea Commission, UBC – Union of the Baltic Cities, *A Competitive Region in a Globalised World*, Position Paper on the EU Strategy for the Baltic Sea Region, December 1, 2008.

goes beyond the distributive principle that up to now has governed most of the policies linked to structural resources and assets.

7. THE MACRO-REGIONS WITHOUT INSTITUTIONS: WHAT GOVERNANCE?

No new institutions: macro-regional strategy does not plan to create and empower ad hoc institutions. The Commission, at least in the Baltic case, deems that various institutions already exist, though these have obtained scarce success (European Commission, 2009: 3). Instead of creating a new institution, the macro-region strategy can be supported by a **new multi-level and multi-actor governance**, composed in the following way.

- The Commission exerts a “*soft power*” in the role of “*overall coordinator*”, “*external facilitator*”, and “*impartial honest broker*” (European Commission, 2009: 4 and 6), while the strategy is drafted and implemented “*from within*” (European Commission, 2009: 5), meaning by the national and sub-national governments and different stakeholders.
- The European Commission elaborates the strategy with the *National Contact Points* under the Prime Ministries or the Foreign Affairs Ministries;
- With the *Coordinators for Priority Areas* that can be central administrations or “*exceptionally regions or inter-governmental bodies*”;
- And implemented the Lead Partners of the flagship projects, meaning various agencies or institutions.
- The strategy is European; therefore, the responsibility and *accountability* must remain at EU level. To this avail, the Commission convenes a *High Level Group from all Member States* that periodically reports to the European Council (European Commission, 2009: 3). While the European Council states that, in the case of the Baltic Sea Region, this High Level Group “should be consulted about amendments of the Strategy and the Action Plan” (European Council, October 2009).

This structure is backed by a consultative process and the participation of various stakeholders. In this sense, the European Council invites the Commission “to safeguard an involvement of stakeholders concerned from all levels in the region, for example through an annual forum with the aim to help the Commission in its tasks” (European Council, October 2009).

However, **this organizational framework does not necessarily correspond to conditions of other geographical areas** where “*it may be necessary to set up a capability to monitor and facilitate progress on the strategy as a whole*” (European Commission, 2009: 3).

The architecture of macro-regional strategy governance re-proposes the many issues already highlighted, and in particular: **can a new bottle transform old wine into a better product?** If not, will it ignite underlying tensions among powers and institutions at different levels? The Baltic case made it undeniably clear that a lengthy phase of harnessing consensus and legitimacy was necessary: stakeholder conferences were organized to discuss working papers concerning various problems; and round tables were held to treat different topics and possible strategy actions. The Commission opened a consultative phase that gathered 110 written recommendations from bodies

across the area (Joenniemi, 2009: 3)¹¹. According to Schymick and Krumrey (2009: 3), the Commission discussed about 750 policy proposals; and this intense effort aimed at fostering actor involvement is proof of the Commission's endeavour towards drafting a "*broad, complex and not sufficiently focused*" action plan, creating "*another label for the already established cooperation*". If the expected added values do not clearly emerge, the symbolic factor and the political will risk fading away. Without a new institution or strong governance, and specific resources, the macro-regional strategy risks making a hole in the water.

8. THE MACRO REGIONS: INTERNAL AND EXTERNAL DIMENSIONS

The macro-regional strategy (at least in relevance to the Baltic area) is a strategy within the EU, and **the external dimension is rather marginal**. Third-party states are informed and the effects of such strategy on them is considered. However, at least initially, it is best advised to focus on internal matters. Indeed, even in this case the strategy "*may need to be reviewed in other context*" (European Commission, 2009: 6).

The emerging issue is whether the external dimension can be omitted while still yielding strategy efficiency. Such dimension cannot be considered external if the macro-region has a functional objective that must necessarily involve Third-party states. In regard to the Baltic case, the Council considers it as being an "internal sea"; therefore, stating that both the internal and external dimensions can be disjoined totally. However, their Russian neighbour must still be taken into consideration.

According to Rikard Bengtsson (2009: 8) the reasons due to the lack of an external Baltic prospective must not be sought in the functional ability to prosper without it. Indeed, the area is quite vulnerable due to the strong inter-dependency with its Russian neighbour; therefore, these reasons are found in the weakness of EU policy with Russia. The pragmatic profile of the macro-regional strategy risks failure or limitation if issues of structural policy cannot be properly treated, such as policy regarding border state relations. Macro-regional strategy depends on the political framework and must be upheld by ambitious parallel initiatives. In the Baltic case, the efficacy of the macro-region openly depends on the improvement of the strategic partnership between EU and Russia.

9. A MACRO-REGION IN THE MEDITERRANEAN?

The hypothesis of establishing a macro-regional strategy in the Mediterranean must, therefore, face various issues:

- Multi-level and multi-actor governance and coordination, between the instruments and financial resources;

¹¹ Pertti Joenniemi, *The EU Strategy for the Baltic Sea Region: A Catalyst for What?*, DIIS Brief, www.diis.dk/pjo, August 2009

- Functional aspects and priorities in an integrated approach;
- Scale and external dimension
- Relations with the Euro-Mediterranean Partnership and Union for the Mediterranean;
- Relations with operative programmes for territorial cooperation and strategic projects, Euroregions and EGTC.

The analysis of one or more macro-regions in the Mediterranean¹² can commence from a pragmatic approach as shown in the Baltic case; however, it cannot ignore fundamental political issues related to the Mediterranean area, such as the Palestinian-Israeli conflict.

Such issues, though, should not constitute an insurmountable obstacle to undertake a new initiative that leads to a more profitable collaboration between the European Commission, central and sub-national governments, social and economic realities. Perhaps their guiding ambitions must be kept a bit undertone, but this does not imply a lack of importance for territorial development. In fact, a newly formed macro-region that focuses on concrete territorial objectives cannot be assigned as mediator of political issues of greater scale, regardless of the fact that the same macro-region could well benefit the scenario. The macro-region may involve and support the paradiplomacy of regional and local authorities aimed at establishing linkages with external actors, reinforcing the actions of the Euro-Mediterranean Assembly of Local and Regional Authorities (ARLEM). Therefore, the scenarios in which the Mediterranean macro-region(s) would be most coherent, synergic and supportive of large-scale policies, such as that of the Union for the Mediterranean, must be explored and defined.

¹² Indeed, there is a recommendation for an Adriatic macro-region that is put forth by a paper of the region of Emilia-Romagna: “The objective of horizontal integration of the needs of these territories, characterized by strong complementarities but differences in development, demands the initiation of a specific course of action to define a new strategy for the Adriatic macro-region. This area shall be comprised of cross-border territories on both sides of the Adriatic; and will encompass locations, structures, instruments and governance models that are distinct and apt at achieving the development goals commonly shared. The strategic model ... aims to integrate the different lines of planning and financing, on the basis of multi-level participation. This shall all take place in the framework of the social cohesion policy, striving to overcome the geographical and cultural differences through implementation of the loyal collaboration principle. Only a strategic area model would make it possible to undertake a solid integration of policies, while obtaining adequate attention of the European institutions. Furthermore, this model would allow the Adriatic macro-region to be up to par with existing or future macro-regions, such as the Baltic and Danube areas; thereby, fostering improved relations with other macro-regions, and in turn adding noteworthy value to macro-regional strategy of the EU.” (Vice-Presidency of the regional Council, contribution to the consultation of the Regional Committee on multi-level Governance). Recently, also the Italian sub-secretary of the Ministry of Foreign Affairs, Mr. Mantica, declared in a Conference that “Italy plans to create a Ionico-Adriatic macro-region such as that established in the Baltic and in the next time in the Danube area”.

Annex 1

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

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

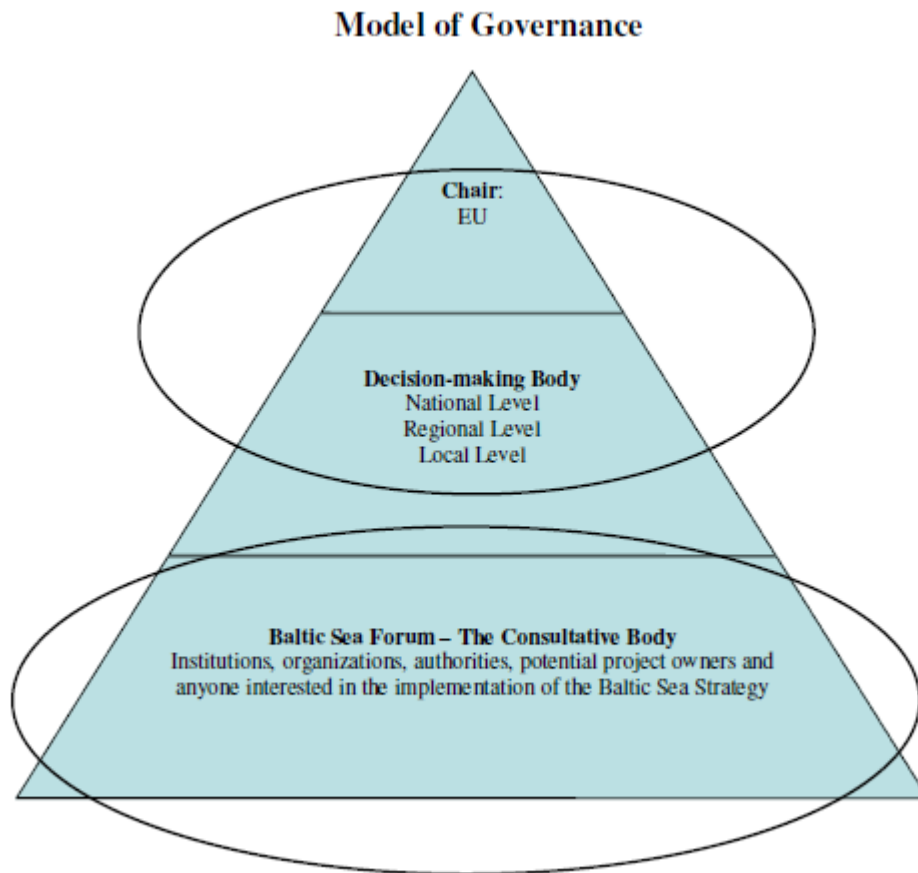
Note:

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

Source: Rikard Bengtsson, *An EU Strategy for the Baltic Sea Region: Good Intentions Meet Complex Challenger*, Sieps - Swedish Institute for European Policy Studies, European Policy Analysis, September, Issue 9-2009.

Annex 2

The model of governance proposed by the Baltic Regional and Local Authorities networks



Source: BSSC, B7 Baltic Islands Network, Euroregion Baltic, Baltic Development Forum, CPMR- Baltic Sea Commission, UBC – Union of the Baltic Cities, A Competitive Region in a Globalised World, Position Paper on the EU Strategy for the Baltic Sea Region, December 1, 2008