SOCIAL AND ECONOMIC PROCESSES IN THE EU MEMBER STATES

THE EUROPEAN UNION STRATEGY FOR THE BALTIC SEA REGION AND ACCOMPLISHMENTS

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The sea and inland hinterland of Baltic Europe form a unique macro-regional unit. Strong collaboration links, and competition in the Baltic Sea region, are an inherent feature of the region from the beginning of its civilization development. Since 2004, the Baltic Sea has become an internal sea of the European Union. This fact no doubt strengthened the cooperation of the countries in the region. In many spheres, these ties take the form of networking. The EU Strategy for the Baltic Sea Region is an important stimulus for further integrations. The objective of the article is to identify changing trends and the structural transformation in the Baltic integration process instigated by the implementation of this strategy. The document contains common goals, which strengthen cooperation and draw on the Baltic Sea potential. Three main pillars are outlined in the Strategy: marine protection, better interconnection of the region and growing prosperity. The essence of cooperation involves joint development plans on various levels: governmental, regional and local with the participation of research institutions, regional cooperation infrastructure, operational programmes, as well as the private sector. Political stabilisation and economic development may transform, in a longer time span, the emerging transnational Baltic Europe into a new economic and cultural European centre. The choice of research methodology applied in the study derives from the nature of collected data, i.e. literature regarding scientific accomplishments in the Baltic cooperation, analysis of working documents and reports drawn up by public institutions, the European Commission, and EU national and regional strategic documents.

Keywords:

European integrations, macro-region, European Union Strategy for the Baltic Sea Region (EUSBSR)

Introduction

Political, economic, social and territorial changes at the end of the 1980s and the beginning of the 1990s brought about the renaissance of regional thinking in Europe. Areas that had previously been remaining on the outskirts of European political and economic life now became animated European cooperation actors.

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This peripheral role had been characteristic of the Baltic Sea countries, which had been limited in their search for partners by their affiliation to conflicting groupings. Yet as soon as one such grouping disintegrated, a new order for international Baltic cooperation began to flourish in the last decade of the twentieth century. In the years that followed, the countries around the Baltic Sea developed a dense network of national, institutional and governmental programmes and created a number of nongovernmental organisations, whose activity contributes to closer ties of communities of the Baltic Europe [1].

The article analyses EUSBSR implementation mechanisms by studying the extent of its correspondence to the current phase of Baltic integration. The study is comprised of four parts. The first part summarises theoretical studies of the region, macro-region and macro-regional strategies. The second part illustrates the Baltic integration genesis, and the third analyses the aims and results of the *EU Strategy for the Baltic Sea Region* (EUSBSR). The final part discusses selected projects in the area of the southern Baltic and presents potential scenarios for the EUSBSR after 2020. Conclusions are drawn in the end of the article.

The choice of research methodology applied in the study is dictated by the nature of collected data, i.e., literature devoted to the presentation of scientific accomplishments in Baltic cooperation, analysis of working documents and reports drawn up by public institutions, particularly the European Commission, and the study of EU strategic documents at the national and regional levels.

The region, the macro-region and macro-regional strategies

As the Baltic region falls under major categories in geographic studies, the literature dedicated to it is abundant. Yet while many scientific disciplines describe various phenomena and processes in the region, they rarely attempt to explain the phenomenon of the region and the intensity of factors affecting its structure, development, and resultant functions [2]. Still, the region is studied within a number of fields, including geography, economy, sociology, political science, law, demography, biology and others. In geographical studies, the regional paradigm saw an especially dynamic development in the 1950s and 1960s. Then, geography gained new theoretical and methodological solutions. A new research trend, the so-called 'regional science', developed, represented by, for example, Isard [3]. At the same time, attempts to construe an overall paradigm were tainted with individualism, whereas field specialists in the same or related areas conducted team research about the region. This led to isolating particular issues in the regional framework, but the studies within the confines of particular disciplines explained only field-specific problems of the region.

Political, social, economic and cultural transformations of the late 1980s and the beginning of the 1990s in Central Europe stimulated the revival of studies on the region. Attempts to interpret the nature and the role of the region were reflected in such philosophical trends as structuralism and realism, which strongly affected the fundamentals of geography [4; 5]. Clear trends also appeared towards

studying regions within social science theories and their applications. Dziewoński [6] identified three concepts of a region: region as a research tool (analysis), as a subject of cognition and a vehicle for action.

In international relations, we often use the term region with reference to natural premises such as the catchment areas of big rivers, seas and locations facilitating transport. Such a geographical basis for identifying a region is used, among others, to define the Baltic Sea, the North Sea and the Mediterranean regions. The seas have always linked and unified countries along their coastlines. The functionality of marine regions results from common maritime laws setting standards to the entire region in question.

Contemporary coastal regions need not be national outskirts but can be locations of permanent and direct contacts of a state and local society with partners inhabiting regions located on the opposite coast of the sea. In the life of nations and countries, sea access has always played an important role. Coastal regions usually featured enhanced economic activity and faster civilisational development [7].

The development process of European regions is of twofold nature: a topdown initiative of central authorities aimed at establishing politically defined regions, and bottom-up initiatives resulting from regional actions where benefits from economic co-operation do not mean the loss of autonomy and cultural identity [8]. The unquestionable asset of regions at their various levels is their stabilising function. Regionalisation provides an opportunity to strengthen a common local, regional and national identity, and develop interaction between particular societies [9].

Though Baltic integration is part of regional research within the field of economic geography, its studies are also of interdisciplinary nature. The wide pool of knowledge about the region provides a source, which, if properly used, can optimise further regional development and functioning.

'The idea of a region (or macro-region) is both a conceptual understanding of what a region is and views on its collective role. The idea need not refer to the real components of the region but may also include an image of the character of the region and its history. It does not draw the full picture of the region, nor does it usually delimitate its territorial character.' [4].

'The significance of the Baltic Region as a European macro-region has been appreciated, as well as the opportunity for it to serve as a bridge linking the old West and East' [10].

The concept of macro-regional strategy is founded on a shared sense of regional identity, which affects social, economic and cultural development, and may serve as a vehicle for building action plans and strategies beyond the solutions of today, thus triggering the development of particular regions covered by these strategies. Nonetheless, this concept is also a part of the political plan to restructure European territory and strengthen transnational regional identity. It is also embedded in the concept of multilayer governance, where the European Commission is to act as a moderator and a driver for development [11]. The necessity to see EU development in terms of transnational regions opens the option of interpreting such terms as space, territory and governance anew. The regional approach is also an area in international relations that requires in-depth analytical reflection as the dynamics of regional collabourations go beyond the traditional views on international relations and the functioning of such players as the European Union.

Macro-regional strategies are one element of the vision for long-term development of the European Union published in 2010 in the new EU development strategy, *Europe 2020: A strategy for smart, sustainable and inclusive growth.* The document refers to the role of European regions as full-fledged participants of political processes, equal to EU Member States and institutions.

The funds for implementing macro-regional strategies¹ are part of strategic planning under cohesion policy programmes in EU regions and Member States. The States also guarantee that in locations where macro-regional strategies and strategies for marine basins are introduced, all funds under the common strategic framework, in relevant cases, can support their implementation.

Macro-regional strategies are EU-adopted integrated programmes for a specified geographical region. Measures undertaken and implemented under these strategies may draw on European Structural and Investment Funds. Macro-regional strategies aim to jointly tackle challenges of a given geographical area embracing Member States and third countries in the area, which can benefit from sound social and economic cooperation, as well as from territorial cohesion.

Up to date, the European Union has introduced four macro-regional strategies covering several areas spanning 19 EU Member States and 8 non-member countries. The first document of this nature, the *EU Strategy for the Baltic Sea Region*, was adopted in 2009. Later initiatives of this nature included the *EU Strategy for the Danube Region (EUSDR)* in 2010, the *EU Strategy for the Adriatic-Ionian Region* (EUSDR) in 2014, and the *EU-Strategy for the Alpine Region (EUSALP)* in 2015.

Baltic integration genesis

In the post-war history, integration of the Baltic Region first concerned the marine environment, an area relatively untouched by political rift that inhibited the development of multilateral relations.

Joint work towards the protection of waters and Baltic Sea bioresources of all countries in the region (Denmark, Finland, Sweden, GFR, GDR, Poland and the USSR) started in 1973 with the signing of *The Gdańsk Convention on Fishing and Conservation of the Living Resources in the Baltic Sea and the Belts* (the Gdańsk Convention), followed by the Helsinki conventions on the protection of the natural marine environment of the Baltic Sea in 1974 and 1992 (Two Helsin-

¹ Regulation EU of 22.04.2013.

ki Conventions).² These were pioneer actions, now seen as model solutions for other European regions. In 1991, the existing geopolitical system disintegrated bringing forth major changes, and new conditions appeared to finally bridge the artificial isolation of Baltic neighbours. The transformed geopolitical situation generated new opportunities and options for dynamic economic and cultural cooperation in this part of Europe. The need to stimulate the development of existing relations was noted, picked up and revived in various forms. Fresh ideas sprang up in the multinational territories around the Baltic Sea, and there was a surge to seek original solutions, deferring from measures developed earlier, that were to define the future of the region [12]. The process of developing the Baltic region started, providing grounds for the emergence of a regional network of economic and social relations.

The 1990s experienced an 'explosion' of various initiatives and forms of co-operation. Their precise number is not known. Because of their multiplicity and number of links, they are collectively described as the 'Baltic co-operation phenomenon' [7]. For that period, we can identify four key areas and forms of co-operation: political, economic, environmental and cultural.

Political collabouration of Baltic countries included the creation of such fundamental institutional structures as: the Baltic Sea Parliamentary Conference, the Council of the Baltic Sea States, Conference of Prime Ministers, Baltic Sea States Subregional Cooperation (BSSSC), Nordic Council.

Cooperation in protecting the natural environment resulted in the emergence of legal provisions and resultant executive structures as well as organisations, including non-governmental organisations, with the Helsinki Commission (HEL-COM) as a flagship measure. The following years showed the growing activity of societies in all Baltic countries, and many joint integrating projects launched as a result of this activity.

The European Union plays an important role in initiating such endeavours. Following the accession of Sweden and Finland to the European Union in 1995, the expansion of EU to cover Poland, Estonia, Latvia and Lithuania in 2004, as well as the conclusion of agreements with Russia on partnership and co-operation, the Baltic Sea became almost an internal sea of the European Union.

The importance of relations between the Baltic Europe and the European Union grew after the accession of Sweden and Finland in 1995. The Northern Dimension initiative of the European Union, suggested in 1997 by Finland, was to improve political coordination of the European Union in northern Europe, to mitigate economic development gaps, particularly between EU countries and Russia and the Eastern bloc countries. After the accession of Poland, Latvia, Lithuania and Estonia to the European Union, the Northern Dimension has served as a cooperation platform for the EU and the Russian Federation.

² The Conventions provided a cooperation plane for protection of the marine environment of countries of two contrary ideological, political, and economic orientations, which was a unique solution worldwide.

The adoption of the *EU Strategy for the Baltic Sea Region* (EUSBSR) in 2009 marked the beginning of a new EU approach to regionalisation and governance. This was not only an analytical tool and normative postulate but a practical application of multi-tier governance³.

EUSBSR objectives and implementation

The main goal of the *EU Strategy for the Baltic Sea Region* (EUSBSR) is to strengthen cooperation in the region and have the region benefit from the potential generated by EU expansion. The European Parliament initiated the Strategy and in 2006 adopted a resolution postulating the development of EUSBSR. In December 2007, the European Council in line with the proposal of states in the region, and in particular Sweden, postulated to the European Commission (EC) the development of EUSBSR. In June 2009, the EC accepted the Communication about the Strategy, and in October 2009 the European Council approved it.

The document rests on four pillars of regional vision: environmentally sustainable region, a region of prosperity, an accessible, attractive and safe region. The core of the Strategy lies in multilevel cooperation: on the national, regional and local level with the participation research centres, academics, regional structures, institutions managing operational programmes, as well as the private sector. The Strategy facilitates wide-ranging contacts with macro-region partners, initiates new projects and promotes projects in progress on the international forum. EU-SBSR has been named the first macro-regional internal EU strategy. It is a model solution providing the basis for three consecutive macro-regional EU strategies developed up to 2016, including one for a marine macro-region.

EUSBSR gave a new dimension to the development concept of the region and induced political stakeholders to adapt their actions to successive spatial, institutional and normative frameworks [11]. The Strategy is an example of enhancing cooperation in the Baltic Europe and in European politics. It is a successful attempt to stabilise the geopolitical situation in the region in terms of security of the area closest to Scandinavian countries. Regional cooperation is both an example of partnership and interdependence, and the development of influence zones. It also binds superpowers in regional cooperation [13].

Up until the end of 2016, the strategy stimulated the development of new networks and contributed to better efficiency of the existing networks (e.g. BALT-FISH, SUBMARINER forums). The consolidation of multilevel governance in the region created a common framework for dialogue of entities operating in the Baltic Sea Region (BSR). Closer cooperation and better coordination on all levels, nationally and between EU States and non EU countries, as well as between regional organisations, produced a synergy effect.

³ 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, 2009, *COM*, 248 final, Brussels.

EUSBSR demonstrates a level of understanding among EU Member States and the EC. It provides a cooperation platform for the Commission and EU BSR Member States, where the latter play a key role in substantiating and implementing the Strategy. EUSBSR is the first macro-regional internal EU strategy. Its implementation draws on funds of existing EU financial instruments, national funds and those of international financial institutions. The implementation of the Strategy relied on the Action Plan including Project Areas and Horizontal Actions. The Action Plan sets 3 main objectives: Save the Sea, Connect the Region and Increase Prosperity.

Starting June 2015, the Strategy covers 13 Policy Areas (PA) and 4 Horizontal Actions (HA) realising 170 Flagship Projects. The key objectives of the EU strategy for BSR are:

1. Save the Sea

- 1.1. Clear water in the sea
- 1.2. Rich and healthy wildlife
- 1.3. Clean and safe shipping
- 1.4. Better cooperation

2. Connect the Region

- 2.1. Good transport conditions
- 2.2. Reliable energy markets
- 2.3. Connecting people in the region
- 2.4. Better cooperation in fighting cross-border crime

3. Increase Prosperity

3.1 The Baltic Sea Region as a frontrunner for deepening and fulfilling the single market

3.2. EUSBSR contributing to the implementation of EU 2020 strategy

- 3.3. Improved global competitiveness of Baltic Sea Region
- 3.4. Climate change adaptation, risk prevention and management

The Strategy is supplemented by an Action Plan presenting a reference to priority areas under every pillar. The Plan is an evolving document, amended more than a dozen times, most recently in 2017⁴. The Action Plan refers to 13 Policy Areas (PA) and 4 Horizontal Actions (HA). Policy Areas (PA) comprise:

1. Bioeconomy — agriculture, forestry and fishery

- 2. Culture culture and creative sectors
- 3. Education education, research and employment capacity

4. Energy — action plan to synchronise the Baltic States' electricity grid (BE-MIP Action Plan) for competitive, secure and sustainable energy

5. Hazards — restrictions in use and impact of hazardous substances

6. Health — improvement and promotion of human health taking into account social issues

⁴ 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, 2009, *COM*, 248 Final, Brussels.

7. Innovation — use of the full potential in studies and research and SMEs, exploitation of the uniform digital market as a source of talents and investments

8. Nutri — reduction to an acceptable level of biomass waste disposal to the sea

9. Safety –leadership of the region in safety and security issues and marine protection

10. Secure — resilience against crisis and casualties on land and cross-border crime

11. Ship — developing model conditions for environmentally friendly shipping in the region

12. Tourism — enhancing cohesiveness in macro-regions through tourism

13. Transport — Improving internal and external transport connections Horizontal Actions cover:

1. Spatial planning — encouraging spatial planning of coastal areas in all member States of the Baltic Sea and developing a common approach to cross-border cooperation

2. Neighbours — generating added value in the Baltic Sea Region by enhancing cooperation of regions and neighbouring countries

3. Capacity — building capacity and involvement

4. Climate⁵

PAs and HAs are run and coordinated by one or two Member States or nongovernmental organisations. At the national level, there are contact points encouraging national organisations to actively participate in EUSBSR. Key implementations involve Flagship projects under PA and HA. These projects are usually bottom-up projects though some are initiated by PA or HA coordinators. In many cases they are initiated by stakeholders interested in their implementation, are agreed with the relevant PA or HA coordinators and presented to international or national financial institutions to ensure resources for their implementation [14].

Poland is the coordinator of three EUSBSR Policy Areas:

1. PA Nutri — abatement measures for an acceptable level of nutrient inputs to the sea

2. PA Innovation –tapping the region's scientific, innovative, and SMEs business potential

3. PA Culture — culture and creative sectors.

The EUSBSR is based on 'the three No's' principle meaning no new EU budget, no new EU institutions and no new EU regulations. Instead of creating new budgetary lines, the EUSBSR and all macro-regional strategies rely on the alignment of funding sources already in place in the macro-region.

Three major INTERREG territorial cooperation programmes support EU-SBSR projects. By 1990, the European Commission had instigated the first IN-TERREG programme, which at the time focused solely on cross-border cooperation. With time, it evolved in terms of scope, priorities and funding resources.

⁵ Commission Staff Working Document European Union Strategy for the Baltic Sea Ree gion, 2017, *SWD*, 118 final.

The fifth edition INTERREG (2014-2020) budget was 10 times bigger than the 1990 budget. The development of INTERREG is viewed as an evolutionary preparation of border regions to open particular markets to accelerate growth and development of various geographical areas and to drive towards cooperation beyond country borders [15].

In 1994, INTERREG was extended and divided into three components covering cross-border cooperation, international cooperation and transnational power grids. INTERREG III comprises three strands embracing: cross-border cooperation (Strand A), transnational cooperation (Strand B) and interregional cooperation (Strand C). In 2007, INTERREG became part of the mainstream EU cohesion policy and the three strands were united under the European territorial cooperation goal.

Strand B involves several countries in 15 transnational cooperation programmes. It stretches over macro-regions defined as neighbouring areas on the territory of several countries or regions facing common goals and challenges. [16]. The BSR macro-region is referred to as 'an area covering a number of administrative regions but with sufficient issues in common to justify a single strategic approach'⁶.

INTERREG B is best suited to foster macro-regional actions. In terms of funding sources, Baltic INTERREG holds a crucial position among Strand B programmes. The programme involves Denmark, Estonia, Finland, Latvia, Poland Sweden and the northern part of Germany as well as partner countries: Norway, Belarus and north west regions of Russia. The programme has been operating under different titles since 1997.

The Baltic INTERREG programme fosters institutional efforts of EUSBSR. The transnational cooperation INTERREG Baltic Sea Region Programme 2014— 2020 explicitly supports the implementation of the Strategy. Priority 4 is devoted to 'institutional capacity for macro-regional cooperation', to upholding EUSBSR implementation and priorities common for EUSBSR and regional strategies of partner countries. Two specific objectives deserve emphasising:

Specific Objective 4.1. 'Seed Money' — aimed at increasing capacity for transnational cooperation in implementing EUSBSR and working on common priorities with the partner countries. The Programme provides co-financing in developing Project strategic for one of EUSBSR PA or HA actions. Projects prepared under the Seed Money objective may be later implemented and funded by any funding available in the region. Funding eligibility requires written support of the relevant PA or HA coordinator who validates the project's input to objectives of the particular EUSBSR PA or HA.

Specific Objective 4.2. 'Coordination of macro-regional cooperation' – aimed at increasing capacity of public institutions and pan-Baltic organisations for transnational coordination in implementing EUSBSR and at facilitating the

⁶ 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, 2009, *COM*, 248 Final, Brussels.

implementation of common priorities of the Baltic countries. It supports PA and HA coordinators as well as national coordinators in transnational activities and foster EUSBSR objectives. Additionally, this objective offers funds for general support and communication related to implementing the Strategy.

The European Commission (EC) regularly publishes EUSBSR implementation reports. Strategic guidelines for EUSBSR are secured by the High Level Group (HLG), a consulting body for the European Commission on EUSBSR and its implementation, which reviews updates and changes in EUSBSR and operational plans. Annual forums gather all stakeholders to review achievements and EUSBSR future plans as well as to appraise implementation progress and present recommendations if needed [17]. The first annual EUSBSR forum took place in Tallinn in October 2010, followed by forums in Gdańsk (2011), Copenhagen (2012), Vilnius (2013), Turku (2014), Jurmala (2015), Stockholm (2016), Berlin (2017), Tallinn (2018). The tenth event was held in Gdańsk in June 2019. At the time of writing, the next one is planned for October 2020 in Turku.⁷

The first BSR programme 1997-1999, initiated by Visions and Strategies around the Baltic Sea (VASAB), focused on spatial planning. In the following programme period of 2000-2006, the extended scope of priorities covered economic and environmental development. The current programme focuses on innovation, natural resources, sustainable transport and on fostering EUSBSR. The 2014-2020 programme refers to transnational projects realised jointly by at least 3 partners from different countries.

Macro-regional cooperation is not limited to INTERREG B projects. As Zaucha points out [18], BSR emerges from a dense formal and informal network of varied transnational cooperation initiatives. According to Gänzle [19], there are at least 40 pan-Baltic organisations such as VASAB, Union of Baltic Cities (UBC); Council of the Baltic Sea States (CBSS), Helsinki Commission (HELCOM) and many others. Moreover, yet another 600 organisations remain involved in BSR issues [20].

Translation of the BSR concept into reality found political support in the 1990s. The specific nature of the new Baltic regionalism involves the development of independent sets of objectives and aspirations accompanied by a public discussion on how to achieve them. This bottom-up movement engaged national and local authorities as well as non-governmental organisations. Such integration required primarily networking, as the formal agreements played a secondary role. By the end of the first decade of the 21st century, various independent networks shaped BSR cooperation, financed primarily by national and EU funds, and in part by INTERREG B and other programmes like TACIS or PHARE CBC [21].

EUSBSR Flagships of the South Baltic Programme

The South Baltic Programme is a driver for EUSBSR objectives. The Programme objective is to stimulate blue and green potential of the area in cross-bor-

⁷ The 2020 EUSBSR forum in Turku is to be held online due to the pandemic.

der cooperation. The concept projects support of the marine sector (blue sector) and ideas augmenting the sustainable use of natural resources (green sector). The programme embraces regions demonstrating significant disproportions in social and economic development; thus, the aid focuses on closing the gap.

The key Flagships of the South Baltic Programme comprise seven endeavours. The InnoAquaTech project is among these Flagships. Partners from Poland, Denmark, Germany and Lithuania develop technologies increasing protein production from aquatic life. Innovative methods are tested in four pilot farming sites. Investors interested in implementing the technology may benefit from support and tools for the development of production.

Two other investments contribute to balancing tourist traffic in the area covered by the programme. The Baltic Sea Tourism Centre project associates key tourist business partners and promotes sustainable and international tourism in the region. The project website is a helpful guide to the region's attractions. The aim of the Attractive Hardwoods project is to increase the popularity of visiting the forests in-the coastal area of the Southern Baltic and to develop existing tourism products by the Swedish, Polish and Lithuanian partners sharing experience.

Flagships also feature investments fostering green technologies. The Morpheus project developed a technology for eliminating the inflow of pharmaceutical and micro pollutants to the Baltic Sea with discharge of sewage treatment plants. In the case of BioBIGG, partners of the project are seeking to optimise the use of unutilised biomass of the agricultural and industrial sectors

Improvement of transport is one of the key EUSBSR objectives in the Baltic Sea Region. The Interconnect project will implement a common system for collecting payment for public transport and uniform information for passengers covering all carriers and transport organisers. The project is to provide integrated ticketing for various transport means.

The BBVET project is co-financed from labour market aid funds. International vocational training sessions have been developed for students in Edtech and Mechatronics and modern technologies. The educational programme is adjusted to the specific needs of businesses in the Southern Baltic area seeking new employees.

Scenarios of the future role of EUSBSR

Eleven years the Strategy implementation clearly show that it remains dynamic and evolves with time. In June 2020, a decision was passed for the Action Plan to embrace solely PAs. HA Spatial Planning will be transformed into a PA, other PAs will account for the objectives of HA Climate and Neighbours (the newly established Baltic Sea Strategy Point will coordinate the process). HA Capacity and the Let's Communicate project will in future be merged under Baltic Sea Strategy Point (BSP), which is to take on the role of the Strategy's quasi secretariat. The new concept of multi-level governance in EU is an ambitious reaction to the needs of BSR. In line with EU regional policy the Strategy engages institutional and non-institutional entities. In the future, EUSBSR may accomplish the role of a platform bringing together various entities interested in cooperation.

The future role of the Strategy and its effectiveness rely on the political readiness of Member States to become involved in transnational collabouration, on the one hand, and actions undertaken by EU institutions, on the other. The discourse about this macro-regional initiative encompasses a wide range of issues, from potentially redefining of objectives and ways of implementing to governance and funding sources. Minor alterations in strategy governance point to a steady evolution towards centralisation of the process. The debates of BSR stakeholders and experts confirm the growing readiness to strengthen key entities implementing the Strategy in order to enhance its cohesiveness and streamline governance.

The experience of over eleven years of collabouration indicates two possible Strategy scenarios. The first scenario assumes maintenance, even the strengthening of the existing practice, and consistent adherence to the 'three No's' principle. This scenario also projects keeping the umbrella role for EU policies in the region and the wide scope of actions. Various policies would be subject to merely minimal alterations. In practice, this may mean consolidation of present actions. Possible effectiveness progression may result from the experience of entities engaged in implementing the Strategy. This refers not only to EU institutions but also to regional organisations, local governments and research centres [22].

The second scenario may bring about a radical change to the Strategy, which may mean specifying new objectives and limiting PAs. This in turn may revert the focus back to the main priorities of the region and to restoring the initial themes of the Strategy (environment, marine issues). It may strengthen EUSBSR as a tool in EU regional and cohesion policies and allow it to become a more engaged instrument of European Territorial Cooperation (ETC), and thus underlie an EU cohesion policy adapted to the budget and financial framework for the years 2021 - 2027. More emphasis on regional development may provide a favourable perspective for macro-regions covering big geographical regions and several cohesion policy programmes.

The Baltic Sea, a pivot point of the area covered by the Strategy, is a unifying factor for the entire region, which provides a common environmental and economic resource. At the same time, the Baltic Sea poses transnational challenges in environmental protection, marine transport and sustainable development, among other fields.

The developed *European Strategy for the Baltic Sea Region* opens the option for robust integration of this valuable region and joint tackling of challenges around the Baltic Sea. It streamlines collabouration among Member States along the Baltic coastline and partner countries [23].

Conclusions

The sea and inland hinterland of Baltic Europe form a unique macro-regional unit. The fate of the common water basin leaves a stronger footprint than elsewhere on interrelations of its coastal countries and their development. The concept of Baltic integration, preceded by agreements on protection of the sea and the Baltic Sea bioresources, showed accelerated development as late as the 1990s. The dynamic development of networks today encompasses politics, economy, culture and environmental protection. Integration processes continue to spread and cover more areas of life. After the enlargement of EU in 2004, the Baltic Europe stepped into a new development phase. The Baltic became an almost internal EU sea. The next stage of the EU strategy for the Baltic Sea Region contributing to closer co-operation of countries lying around the Baltic Sea is the EUSBSR.

EUSBSR establishes an integrated framework, which facilitates coordination of relevant political actions by the European Union and Member States and offers the Baltic Sea Region the use of a sustainable environment and optimal social and economic development.

EUSBSR is the first macro-regional EU strategy representing a population of 80 million (16% of the entire EU population). In cooperation with eight Member States (Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland and Sweden), the EC launched the Strategy in 2009 with the initial goal of strengthening regional collabouration and integration with third neighbouring countries (Belarus, Iceland, Norway and Russia).

Over 170 flagship projects in 13 PAs and four HAs were completed focusing on the following objectives: Save the Sea, Connect the Region and Increase Prosperity. The Strategy modelled a new form of regional cooperation; it showed how we can understand and implement in practice transnational cooperation in EU and neighbouring countries.

Assessments made 11 years after instigating EUSBSR indicate that the Strategy is the most advanced macro-regional project in EU. This situation is related to the fact that prior to implementing EUSBSR, BSR enjoyed a long tradition of effective sub-regional cooperation on several platforms joining primarily wealthier states, which featured advanced governing structures⁸.

EUSBSR harmonises transnational and international regional cooperation and is an example of a new, innovative EU governance mechanism. Furthermore, BSR collabouration is generally of an intergovernmental nature as national governments remain responsible for realisation of EUSBSR objectives. The general success of the Strategy depends, to a large extent, on Member States. The actions up to date and joint Baltic initiatives in the European Union in the second decade of the 21st century have helped to mitigate existing disproportions [21].

⁸ EUSBSR Flagship what does mean for the project? 2019, *EUSBSR*, available at: https:// www.balticsea-region-strategy.eu/news-room/highlights-blog/item/73-eusbsr-flagshipstatus-what-does-it-mean-for-a-project (accessed 15.05.2020).

The emerging macro-region called the Baltic Europe is no longer just an idea. Regional awareness is clearly developing, regional institutions grow in number and in activity, and the drive for regional stability is progressing. Cooperation in protecting the natural marine Baltic environment, the cornerstone of the agreement, quickly became one of many crucial areas of co-actions additional to national and local initiatives. The natural environment and cultural heritage shall remain important collabouration premises, developing environmental and civilisation awareness of the region.

The Baltic Europe contributed to the strategic thinking in EU, to social, economic and territorial cohesion of the Union. Integrated planning for land and sea areas can be a model for transforming spatial planning in face of climate change and other challenges. The European Union, on the other hand, stimulated further integration of the Baltic Europe.

So long as stable conditions for political and economic development in Europe prevail with Russia-related political events and EU internal problems ending up to be only temporary disruptions, the Baltic Europe evolution shall progress towards becoming a functional complex, which in the long-term perspective will help the integrating Baltic Europe evolve into a new transnational economic and cultural centre of Europe.

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