

The role of the EU's macro-regional policy in fostering the competitiveness of the Baltic Sea Region. Assessing the policy frameworks

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Abstract

This article presents the analysis of the EU's macro-regional policy as a framework to enhance competitiveness and sustainable development. The Baltic Sea Region (BSR) – a home for the first EU's macro-regional strategy launched in 2009 – is used as a case study. Focusing on the strategy's objective "increase prosperity", the author examines policy changes leading to the *EUSBSR Action Plan* of 2021. Based on a qualitative analysis of EU documents and BSR's institutional potential, two hypotheses are verified: (1) the BSR's approach to competitiveness has evolved to be more proactive, holistic, and sustainability-oriented; (2) this shift aligns with EU political context, EUSBSR maturity and regional socio-economic development. The research demonstrates that the macro-regional framework effectively integrates diverse competitiveness approaches, being a promising tool in fostering competitiveness in the EU.

Keywords: economic integration, macro-regional policy, Baltic Sea Region, EUSBSR, regional development, competitiveness, economic efficiency

Rola polityki makroregionalnej UE we wspieraniu konkurencyjności regionu Morza Bałtyckiego. Analiza ram politycznych

Streszczenie

W artykule przedstawiono analizę polityki makroregionalnej UE, określającej ramy wspierające konkurencyjność i zrównoważony rozwój. Jako studium przypadku wykorzystano region Morza Bałtyckiego (BSR) – obszar, w którym wdrożono pierwszą makro-strategię UE w 2009 roku. Koncentrując się na wskazanym w strategii celu „zwiększenie dobrobytu”, autorka bada zmiany w polityce, które

doprowadziły do przyjęcia *Planu Działani EUSBSR* w 2021 roku. Na podstawie analizy jakościowej dokumentów UE i potencjału instytucjonalnego BSR zweryfikowano dwie hipotezy: (1) podejście BSR do konkurencyjności ewoluowało w kierunku proaktywnego, holistycznego i opartego na zrównoważonym rozwoju; (2) zmiana ta jest zgodna z kontekstem politycznym UE, dojrzałością EUSBSR i rozwojem społeczno-gospodarczym regionu. Badanie pokazuje, że ramy makroregionalne skutecznie integrują różne podejścia do konkurencyjności, stanowiąc obiecujące narzędzie wspierające konkurencyjność w UE.

Słowa kluczowe: integracja ekonomiczna, polityka makroregionalna, region Morza Bałtyckiego, EUSBSR, rozwój regionalny, konkurencyjność, efektywność ekonomiczna

The existing literature reflects a broad spectrum of perspectives on defining, measuring, and conceptualising competitiveness, highlighting the diversity of approaches applied to this concept. Despite significant advancements in competitiveness research, a universally accepted definition and a comprehensive theoretical framework for national competitiveness remain elusive. According to Michael Porter (1998a,b), national productivity serves as the primary indicator capable of capturing national competitiveness. The OECD defines competitiveness as the ability of a country to produce goods and services that can successfully compete in global markets, while concurrently enhancing real domestic income levels. In contrast, the Management Forum interprets global competitiveness as the ability of a nation or corporation to generate greater prosperity relative to its international competitors (Androniceanu et al. 2020: p. 6).

Porter's *Diamond Model* emphasises the microeconomic determinants of international competitiveness, initially outlining key factors influencing competitive advantage at the firm level, however, Porter (1985) later extended this model to incorporate two additional exogenous elements: chance events and government policy, acknowledging their influence on competitive outcomes at the national level. Although, Paul Krugman warns against applying the idea of competitiveness to regions or nations, because they do not compete in the same way that firms do, so too much focus on competitiveness could lead to poor policies (Krugman 1994), there seems to be a consensus on the fact that the prosperity of a region is determined by its productivity and efficiency in using its resources (Gardiner et al. 2004). In this sense, competitiveness means creating the right conditions (infrastructure, education, innovation, regulatory framework) for businesses and workers to be more productive. Moreover, there is a growing postulate to look at competitiveness in terms of sustainability and focus on beyond GDP indicators, like well-being or long-term social performance (Aiginger 2021). This article aligns with the above-mentioned research trend.

The aim of the article is to explain how the EU's macro-regional policy influences competitiveness and to identify its main tools and models of influence, focusing on selected priority areas. The author seeks to analyse the evolution of the EU's macro-regional policy as a framework for enhancing competitiveness and sustainable development, using the Baltic Sea Region (BSR) as a case study. The key research objectives include:

- to assess how and why the EUSBSR's approach to competitiveness has evolved towards a more proactive, holistic, and sustainability-oriented framework;
- to evaluate the alignment of this shift with the broader EU political context, the maturity of the EUSBSR, and the socio-economic development of the region;
- to determine the effectiveness of the macro-regional framework in integrating diverse competitiveness approaches.

The article is divided into five parts. It begins with a literature-based analysis of the evolution of the EU's approach to competitiveness, positioning macro-regional policy in this context with the *EU Strategy for the Baltic Sea Region* (EUSBSR) as a case study. Next, conceptual frameworks are proposed for a dynamic analysis of the EUSBSR, with particular attention to economic and institutional factors determining its competitiveness. In this context, the author conducts a comparative analysis of the approach to competitiveness from the strategy's inception to its current form, by comparing the first and the latest *EUSBSR Action Plans*. In the final section, conclusions are drawn for theory, economic and regional development policy, and practices in managing the economic potential of the region.

Materials and methods

This article employs a case study methodology, which is applicable for gaining an in-depth understanding of real-life phenomena (Yin 2009). A case study was selected as the research approach to provide a rich and holistic picture of how the EU's macro-regional policy influences competitiveness and sustainable development in the Baltic Sea Region (BSR). The BSR was chosen due to its distinctive economic dynamics, characterised by a faster economic convergence than many other EU regions, particularly in terms of income levels.

Following the case study methodology, the research relies on multiple sources of evidence (Yin 2009). Data has been collected from various secondary sources, including statistical databases (Eurostat), European project repositories (keep.eu, Interreg project databases), and policy documents, particularly the *EU Strategy for the Baltic Sea Region* (EUSBSR) and its Action Plans. Additionally, qualitative sources (such as policy papers and internet-based resources) have been used to examine concrete examples of competitiveness-enhancing initiatives under the EUSBSR framework, particularly in selected priority areas.

To set the institutional and economic context for macro-regional competitiveness, a comparative analysis of competitiveness approaches within the EUSBSR is conducted. The analysis involves examining the evolution of the strategy's priorities and tools from its inception to its current form. Specifically, the study compares the first and latest *EUSBSR Action Plans* to assess how the EU's macro-regional approach to competitiveness has shifted towards a more proactive, holistic, and sustainability-oriented framework.

Competitiveness as the policy interest in the EU

The beginning of interest in competitiveness at the European level dates back to the early years of the Community's existence. Since the very beginning, the primary instru-

ment for enhancing EU competitiveness has been the integration process itself (creating the internal market and, subsequently, the economic and monetary union).

The analysis of the source documents demonstrates that the concept of competitiveness was widely present in the EU's political discourse already in 1960s, however, it was referenced not in relation to the economy as a whole, but rather to the specific sectors, particularly energy, exports, selected industries, and business activities. In 1982, the EU published its first report on the competitiveness of European industry, directly linking competitiveness with industry. However, as noted by Sylwia Talar, the characterisation of competitiveness as a "composite" made it practically impossible to draw clear conclusions from these studies, rendering them largely unhelpful (Talar 2016: p. 17). As an answer to rapidly deteriorating growth and employment rates in the early 1990s, the EU, already functioning based on a legal framework provided by the Treaty on European Union (TEU), initiated in 1993 the White Paper, its first initiative aimed at developing a medium-term strategy at the European level, with competitiveness among the main political goals (European Commission 1993). The approach of competitiveness was not well defined and raised some serious doubts, which delivered even more interpretations' problems considering the intrusion of the EU guidelines for industrial competitiveness policy at the same time (Talar 2016: p. 17).

A turning point in European competitiveness policy was the *Lisbon Strategy*, developed to strengthen the internal market and to deal with the low productivity and innovativeness in the EU, through the formulation of various policy initiatives to be taken by all EU Member States (Lucian 2015: p. 55). The objective was formulated very clearly, and was the reference to competitiveness. The *Lisbon Strategy* was intended to transform the EU into "the most competitive and dynamic knowledge-based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion" (European Parliament 2000). Although it was perceived as a failure (Tabellini, Wyplosz 2006; Tausch 2009), it solidified a broader approach to competitiveness and strengthened the pursuance for a more accurate, innovative and efficient policy design in this respect. It also turned the attention to the role of the regions and their contribution to enhancing the EU's competitiveness.

The concept of regional competitiveness occupies an intermediary position between microeconomic and macroeconomic levels. According to the relevant literature, a region is not perceived merely as a simple aggregation of firms or as a scaled-down version of a nation (Gardiner et al. 2004). According to Meyer-Stamer (2016), systemic competitiveness of a territory can be defined as the capacity of a locality or region to generate increasing income levels and enhance the quality of life for its residents. Unlike the definition provided by the World Economic Forum, which emphasises productivity, this definition prioritises the benefits for people living in a region. It posits a strong correlation between competitiveness and overall prosperity.

Competitive regions are characterised not only by output-related metrics such as productivity, but also by level of comparative prosperity (Bristow 2005). They became the subject of the EU policies considering that "strengthening regional competitiveness throughout the Union and helping people fulfil their capabilities will boost the growth

potential of the EU economy as a whole to the common benefit of all" (European Commission 2004). Consequently, regional competitiveness, based on smart specialisation, started to be viewed as a key that will bring together heterogeneous economies in Europe (Voinescu, Moisoiu 2015). The focus on the regional competitiveness resulted in enriching the EU territorial cohesion policy with an additional tool: macro-regional strategies, which novelty laid in representing an integrated framework to allow the Member States "to identify the specific needs and respond to them by using available resources in such a way that the macro-region can benefit from a sustainable environment and optimal socio-economic development" (Liakopoulos 2018: p. 5).

All above-mentioned developments in European policy regarding competitiveness have gone along with another important change, which was articulated in the strategy *Europe 2020* calling for "smart, sustainable and inclusive growth" based on knowledge and innovation, greener and more efficient use of resources, and higher employment combined with social and territorial cohesion (European Commission 2010: p. 5, 10). This shift corresponded to the critics of some concepts "for overemphasising price competitiveness, disregarding social innovations, inclusiveness, and education, as well as modern services or ecological innovations as drivers of growth, new jobs and sustainability" (Aiginger et al. 2013; Aiginger 2021), which proved misleading in analysing national (Perrons 2012) or regional competitiveness. The strong emphasis on sustainability, which has become an element of growth and competitiveness-related discussions on EU level and was streamlined into its various policies, led to the popularisation of the concept of sustainable competitiveness, understood as the ability to generate and maintain the well-being and a decent standard of living for all citizens without reducing the future ability to maintain or increase the current level of wealth (Aiginger et al. 2013). Assessing the national/regional performance through the lens of sustainable competitiveness provides a much brighter picture of the EU, also in relation to the world economic leaders – the USA and China. An evaluation of the competitiveness of the European Union and the United States yields varying results, contingent upon the specific objectives being assessed (Ketels, Porter 2021; Aiginger 2021). When outcomes are measured by GDP per capita or labour productivity, the EU demonstrates underperformance and has failed to narrow the gap with the USA over recent decades. Conversely, if competitiveness is framed as the capacity to achieve societal goals, Europe demonstrates greater progress than the USA, particularly in areas such as sustainability, climate change mitigation, and inequality reduction (Aiginger 2021). However, it is essential to contextualise this performance: while Europe may be better in social and environmental dimensions relative to the USA or China, it still requires further improvement. In this sense, macro-regional strategies aimed at coordination and integration of various policy sectors, while taking a comprehensive approach to very diverse areas, from environment and climate, though connectivity and security to education and innovations, might serve as a good instrument of enhancing competitiveness. Their advantage is also founded on combining the bottom-up initiatives, which strengthen microeconomic competitiveness with top-down solutions, addressing common goals and challenges – and, therefore, requiring policy coordination.

EU Strategy for the Baltic Sea Region as a demonstration of the macro-regional policy's approach to competitiveness

After the enlargement of the European Union in 2004, the Baltic Sea essentially became an internal sea of the EU, providing a strong impetus for further integration processes in the region. Politically, this led to the establishment of the EU's first macro-regional strategy, known as the *EU Strategy for the Baltic Sea Region* (EUSBSR). Macro-regional strategies represent a key component of the EU's long-term development vision articulated in the document *Europe 2020: A Strategy for Smart, Sustainable, and Inclusive Growth* (see: European Commission 2010). This strategy emphasises the importance of European regions as integral participants in political processes, positioning them as "equal to EU Member States and institutions" (Palmowski 2021: p. 141).

Initiated in June 2009, the EUSBSR was seen as an instrument that could respond to growing challenges in the Baltic Sea Region (BSR) and a need for a more coordinated regional cooperation. The EUSBSR has been built around three main objectives: (1) save the sea, focusing on improving the environmental condition of the Baltic Sea, (2) connect the region, focusing on enhancing regional connectivity and infrastructure, and (3) increase prosperity, focusing on promoting innovation, entrepreneurship, and competitiveness (EUSBSR website WWW). Therefore, it is seeking the regional competitiveness in better integration, strong cooperation and intensive knowledge and innovation exchange.

Currently, being in an advanced stage of implementation, the EUSBSR is the most mature example of macro-regional policy in Europe (Szulc 2020), with its greatest strength streaming from the engagement of partners at national, regional levels, and civic society. As noted by Gänzle, although the macro-regional strategies are set up on 'no new institutions' principle, it is evident in the Baltic Sea Region that "a lean governance architecture has been established that strongly draws on existing institutions that have been integrated 'into the texture' of EUSBSR governance" (Gänzle 2018: p. 348). Therefore, the success of the strategy depends largely on the specific regional institutions and the cooperation between them.

Economic and institutional background for a dynamic analysis of the EUSBSR's approach to competitiveness

In the EUSBSR's founding document¹ competitiveness is mentioned only twice and only in one concrete place – in paragraph 5.2 referring to the strategy's objective '*a prosperous region*' (European Commission 2009a: p. 7). It is also viewed in a limited and sectoral context, which corresponds to the approach promoted on the EU level at that time. The strategy acknowledged as important "to maintain the profitability and competitiveness of the key sectors of agriculture, forestry, and fisheries in order to enhance their

¹ 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.

contribution to the economy and to sustainable development" (European Commission 2009a: p.7).

Competitiveness was also associated with "high productivity, high levels of innovation and sustainable economic growth" that was expected to be achieved by increasing labour market, inclusion and integration. On the other hand, some attention was given not only to high levels of employment, but also to "good quality jobs, the continued presence of a well-trained and adaptable workforce as well as low levels of social exclusion" as "vital factors in assuring both the competitiveness and attractiveness of the region" (European Commission 2009a: p. 7). Over time and the level of maturity of the strategy and also the whole region, the EUSBSR's approach to competitiveness has changed. At the same time, this shift fitted into the developments occurring in related research and in overall pan-European policy. It can be traced on a formal, document-based level – in the *EUSBSR Action Plans*, but also on an informal level, for example in communication concerning EUSBSR.

In the following section a short analysis of the Baltic Sea Region is presented to serve as a background for the dynamic policy analysis of the EUSBSR that comes afterwards. As its purpose is only illustrative, and it is not the primary focus of this article, the author limits the analysis to the selected aspects only, leaving the overall assessment of the BSR competitiveness to future research, believing that it constitutes an interesting subject for a comprehensive and holistic study.

The economic-based conditions of the BSR competitiveness

The Baltic Sea Region, defined for the purpose of the EU's macro-regional policy, encompasses a geographical area covering nearly one-third of the European Union's total landmass, yet representing approximately 80 million inhabitants, it is home for only 17.9% of the EU's population (European Parliament 2022: p. 3). It is composed of eight EU Member States (Denmark, Estonia, Finland, Latvia, Lithuania, Poland, Sweden) and five federal states (Länder) in Northern and Eastern Germany (namely: Berlin, Brandenburg, Hamburg, Mecklenburg-Vorpommern, and Schleswig-Holstein), which account for the total of 67 NUTS-3 coastal regions. There are also non-EU neighbouring countries (Iceland, Norway) with traditionally strong ties and cooperation tradition with the above-mentioned region, as well as the non-EU countries located in a proximity (Belarus) or even within the geographical boundaries of the Baltic Sea Region (some parts of Russia), and which have been treated as important cooperation partners until the 2022 year (European Parliament 2022). Since March 2022, the European Union has suspended all cooperation with Russia and Belarus within cross-border cooperation programmes, including the programme *Inter-reg Baltic Sea Region* (European Parliament 2022: p. 3; European Commission 2022).

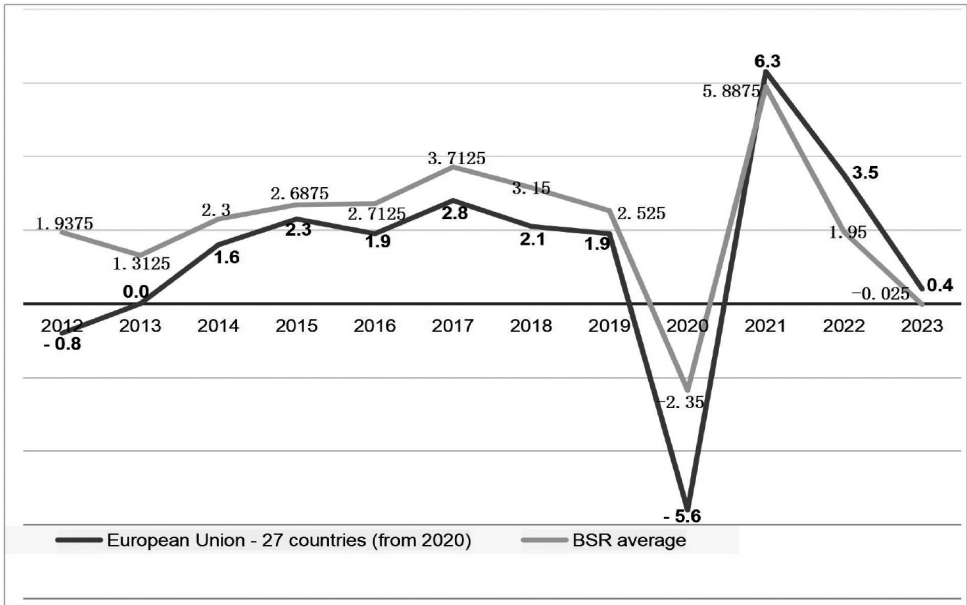
The Baltic Sea Region is diverse in terms of geography, politics, economy, and society, which has posed and continues to pose challenges in creating a unified "Baltic strategy". On the one hand, there is Germany and the highly developed Nordic countries, which rank among the world's top in economic and social development, as evidenced by GDP per capita and indicators such as HDI or more subjective – the life satisfaction

index. On the other hand, there are post-communist countries that joined the EU in 2004. Finally, there is Russia, a non-EU country, whose presence in the region influences its geopolitical and economic situation.

The total GDP of the countries of the Baltic Sea Region (Germany as a whole, Poland, Sweden, Denmark, Finland, Lithuania, Latvia, Estonia) in 2023 accounted for almost 6.28 trillion euro in current prices, which was approximately 36.7% of the total EU-27 GDP. Huge portion of this figure was made up by German economy, the biggest in the EU, which in 2023 generated almost 4.2 trillion euro (Eurostat database WWW). The share of the Baltic Sea Region in the EU's total GDP has been quite constant, with the data demonstrating relatively small fluctuations over the past decade, between 36.7 % (like in 2023) and 37.7 % (in 2020).

Despite aforementioned diversity, the Baltic Sea Region is performing quite well overall, as evidenced by the average GDP growth rate of almost 2.13% between 2012–2023, compared to 1.35% for the entire EU-27 (Eurostat database WWW), although the last years were more turbulent for the region's economies. The overall economic success was for many years largely depended on high growth rates of the less developed economies in the region, such as Poland and the Baltic states, which have enabled significant income convergence. However, 2023 witnessed worse performance of the GDP growth of the region, and for most of the countries (see: *Figure 1*).

Figure 1: GDP growth rates in the Baltic Sea Region and the EU-27 in 2023.



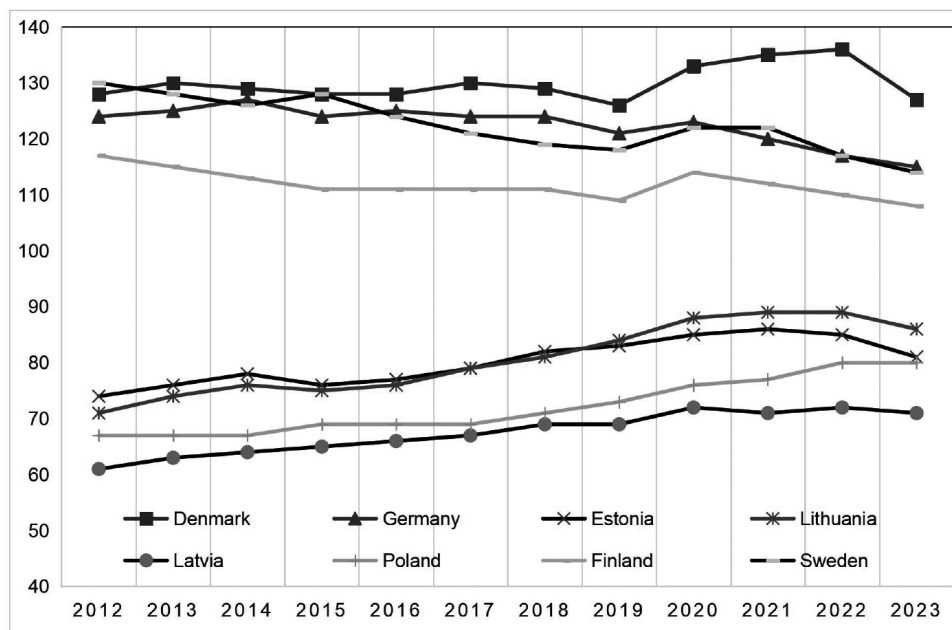
Source: the author's own calculation based on Eurostat database WWW (accessed 12.10.2024).

The income gap between the least developed and the most developed countries in the Baltic Sea Region has decreased significantly during the past two decades marked

by the EU accession of the latter. For many years the degree of convergence in this region has been much faster than in other parts of Europe. The income convergence is impressive, when we compare the current figures of the GDP per head in PPS with those from 2004, when the values for Estonia, Latvia, Lithuania and Poland were respectively only 50, 48, 43 and 47% of those of the EU average (Eurostat database W/W).

According to the latest data, the level of GDP per capita in purchasing power standards (PPS) of Germany, Denmark, and Sweden is higher than the EU average, while the one of Estonia, Lithuania, Latvia and Poland remains on lower levels, although the gap has been systematically decreased. Particular progress was noted by Lithuania that has recently reached the similar level of the GDP per capita in PPS as Spain and has already outperformed Portugal (Eurostat database W/W).

Figure 2: GDP per capita in PPS in the Baltic Sea Region in relation to EU-27=100 in 2012–2023.



Source: the author's own calculation based on Eurostat database W/W (accessed 12.10.2024).

The disparities in other economic indicators, like the nominal labour productivity also fell, although there is still quite a significant difference between Germany and the Nordic countries in comparison to Poland and the Baltic states, when we compare such data on national level. Moreover, in recent years, the Baltic Sea Region has witnessed changes in trade linkages that have led to an increase of the volume of foreign trade in goods and international service transactions, confirming the deepening integration in the area. However, this process is occurring unevenly, being markedly stronger in terms of goods

linkages and weaker for services linkages. International trade indicators reveal that the BSR serves as the primary foreign trade area for smaller economies, which is illustrated by Estonia and Lithuania, being characterised by over 50% of total trade occurring within the region. The data for 2019 demonstrates 59.8% in Lithuania to 67.5% in Estonia from 2011 to 2019, expansion into the markets of BSR countries was relatively more attractive for the new EU Member States (i.e., Poland, Lithuania, and Latvia). In these cases, the growth rates of trade volumes were the highest – accounting for 46.6%, 26.9%, and 22.3%, respectively (Szejgiec-Kolenda, Duma 2020). In the Nordic countries, the share of trade linked to the Baltic Sea Region is much more moderate (around 40%). Poland's trade with the region is similar, accounting for 41.7% of its total trade. Notably, for the three largest trading states located around the Baltic Sea (Germany, Poland, and Sweden) the intra-Baltic-region trade does not play such a vital role. For Germany, the biggest trading economy in BSR, it has oscillated in recent years below 15%, which is due to the overall scale of its trade activities (Eurostat database WWW).

The institution-based conditions

The significance of institutions for economic growth has garnered much attention in recent decades, driven by the exploration of additional factors influencing economic development beyond traditional growth theories (Rodriguez-Pose 2013; Storper 2005). Effective institutions enhance the delivery of public goods, mitigate market failures, and increase overall efficiency (Streeck 1991). Furthermore, the subject literature acknowledges their contribution to the reduction of transaction costs (North 1990), promotion of transparency (Storper 2005), entrepreneurship, and in general effective functioning of labour markets.

The above-mentioned assumption can be applied on a macro-regional level and considered as either supportive or inhibiting factors for the competitiveness of the entire area. In this section only a brief analysis of several pan-Baltic institutions is made, particularly contributing to implementation of the EUSBSR objectives, but leaving the national institutional setup aside. Although in this respect the author recognises the existing disparities with some countries – especially the Nordic states being at the forefront in terms of reliable, sustainable and efficient institutions and some lagging behind significantly (e.g. Poland). In case of the Baltic Sea Region, the relevant literature seems to confirm that strong and reliable institutions as well as cultural proximity enhance its integration and multi-sectoral cooperation (Palmowski 2021).

It can be argued that pragmatism is the leading force in regional cooperation of the states surrounding the Baltic Sea. Taking into account their cultural proximity, it is not surprising that these countries are pioneers of macro-regional cooperation in the European Union today. Scholars refer to the times of the Hanseatic League, an alliance of several Baltic cities aimed at protecting and defending trade interests as a founding stone for integration of the region (Gänzle 2018). The institutional framework is one of the strongest assets of the region. The historic dynamic outlook for the Baltic cooperation underlines the importance of the post-World War II integration processes aimed at resuscitating the

European economy, which led to deepened cooperation among Scandinavian countries (Denmark, Iceland, Norway, Sweden, and later Finland) in many policy areas, including the creation of a passport union that was an important step fostering the Baltic cooperation in the modern history of the region (Czarnecka-Gallas 2019).

Additionally, a significant contribution to cooperation development was made by "the signing of the *Helsinki Convention* and the subsequent establishment of the so-called Helsinki Commission as its body for steering intergovernmental cooperation" aimed at protecting "the fragile marine environment of the Baltic Sea from all sources of pollution" (Gänzle 2018: p. 343). The Helsinki Commission was one of the few examples of a cooperation platform that transcended ideological blocs during the East-West conflict (Gänzle 2018).

Looking for further milestones for the contemporary cooperation within the Baltic Sea Region, we should not undermine the role of the Council of the Baltic Sea States (CBSS), established in March 1992, which "brought participating countries from both sides of the former Iron Curtain to the discussion table" (Gänzle 2018: p. 344). The increase in national-level cooperation stimulated by the CBSS almost immediately led to increased activity and involvement of cities and municipalities, as well as local authorities, as evidenced by the creation of institutions such as the Union of Baltic Cities (UBC) and the Baltic Sea States Subregional Cooperation (BSSSC) in 1993. Other influential forms of supporting the region's cooperation include the Baltic Sea Parliamentary Conference and the Nordic Council of Ministers. The overall institutional picture in the Baltic Sea Region may also be supplemented with organisations from various sectors, NGOs, transnational clusters, cross-border organisations, or partnerships launched as results of projects and other international initiatives, contributing to the EUSBSR objectives by implementing joint actions in a formalised cooperation structure.

In general, the *European Union Strategy for the Baltic Sea Region* has introduced a new dimension to the development concept of the region, prompting political stakeholders to adapt their actions within evolving spatial, institutional, and normative frameworks. Various assessment reports and the subject literature (Słomczyńska 2014; Czarnecka-Gallas 2019; Palmowski 2021) underline that the strategy is a notable example of enhanced cooperation in Baltic Sea Region and within European politics. It represents a successful effort "to stabilise the geopolitical situation in the region", particularly concerning "security of areas closest to the Scandinavian countries". This regional cooperation exemplifies both partnership and interdependence, as well as "the development of influence zones", and it fosters collaborative engagement among major powers in the region (Palmowski 2021: p. 143).

The evolution of the EUSBSR's approach to competitiveness

The strategy has been updated four times: in 2013, 2015, 2017, and 2021 so far. The last revision was adopted by the European Commission in February 2021 and was aimed at strengthening, sharing, and accelerating resilience, "recovery and secure economic and social development while striving for a green and digital transition" (European Commission

2021b; see also: European Commission 2021a). It was focused "on intensified international cooperation in solving cross-border issues, a topic that became more relevant than ever following COVID-19 and subsequent border lockdowns" (European Commission 2021b), as well as aligning macro-regional policies with the UN Sustainable Development Goals. Moreover, the *Action Plan 2021* intended "to boost the participation of young people in the governance process as well as to introduce a simplified coordination and management system" (European Commission 2021b). The latter was to be achieved by "the reduction in the number of actions from 73 to 44 across 14 policy areas", and an introduction of the "Trio of Presidencies to promote coherence and continuity" (European Commission 2021b; see also: European Parliament 2022: p. 5).

Finally, the updated *Action Plan* introduced a new coordination body – a Baltic Sea strategy point launched to increase capacity building and knowledge sharing, as well as improving the communication capacity. The Baltic Sea strategy point (BSP) "provides administrative and technical support for managing, developing, and communicating the strategy". It is accountable to the National Coordinators Group (NCG), responsible for establishing the BSP's "terms of reference and its detailed tasks and conducts its day-to-day work in close contact with the NCG presidency" (European Parliament 2022: p. 6; see also: EUSBSR website WWW).

Although the EUSBSR has evolved over the past decade, its main features remain similar and refer to a coordinated approach to increase the region's prosperity by tackling environmental and socio-economic challenges such as insufficient innovations, demographic changes, labour market dynamics, and migration, which affect the competitiveness of the region. By fostering collaboration among the Member States, the strategy helps address disparities in regional development and promotes balanced economic growth across the Baltic Sea region. The following sections, based on documents' analysis, show the most important changes that occurred in the EUSBSR over the past decade. The evolution of the strategy is shown on the basis of a comparative analysis of the first and the last *EUSBSR Action Plans*, concentrating on the way they treated the EUSBSR objective 'increase prosperity'.

First EUSBSR Action Plan 2009

The first *Action Plan* from 2009 comprised of 15 priority areas to facilitate the improvements. These priorities were grouped under four thematic pillars and one horizontal action (European Commission 2009a: p. 7–9). The division was rather conventional as every pillar related to a wide range of policies and had impacts on the other pillars in a way they were all interlinked and interdependent. According to the first *EUSBSR Action Plan*, the most relevant issues for competitiveness in the BSR seemed to be connected to trade integration, the exploitation of innovation and SME potential, maritime economy development, sustainability in core industries, including agriculture and shipping (European Commission 2009b). Improving market access and reducing trade barriers were viewed as crucial for enhancing the region's overall economic efficiency and competitiveness.

The first *Action Plan* was focused on enhancing internal trade relations in the BSR and improving economic integration. Such approach was seen as beneficial for both smaller and larger economies. The first ones could take advantage trade opportunities, the latter could strengthen their regional connections and make use of a larger and more diverse market (European Commission 2009b: p. 25). Much attention was given to maritime economies, sustainable development of which was seen as essential for maintaining economic contributions and employment enhancing overall regional competitiveness (European Commission 2009b: p. 34). It was also underlined that the region boasts innovative economies with a strong focus on research and innovation. The difference in the level of innovativeness was particularly visible while launching the EUSBSR and, therefore, concrete schemes for R&D cooperation, university exchange and joint programmes aimed at knowledge and technology transfer were promoted. One of the strategic actions envisaged in the *Action Plan* was to establish a common BSR innovation strategy. Moreover, concrete proposals of cooperative initiatives aimed at improving the exploitation of research through patents were made (European Commission 2009b: p. 31–32). Another key theme for this pillar of the EUSBSR was associated with entrepreneurship, strengthening SMEs and increase of the efficient use of human capital. As a concrete measure, the Small Business Act was named as essential to fully exploit these opportunities (European Commission 2009b: p. 24, 26, 34–38). Finally, the emphasis on sustainability in agriculture, forestry, and fisheries was put as the mean to ensure long-term economic and environmental resilience, essential for these resource-dependent sectors.

The table below summarises the key objectives of the economic pillar of the EUSBSR identified on the basis of the first *Action Plan* and their relevance to competitiveness.

Table 1: The key areas of the EUSBSR objective 'A prosperous region'.

KEY AREA	MAIN CHALLENGES	RELEVANCE TO COMPETITIVENESS	EXAMPLES OF ACTIONS
Removing hindrances to internal market	1. Administrative burdens for SMEs; 2. Non-transparent implementation of EU directives; 3. Highly regulated labour markets; 4. Lack of competition leading to high prices.	- Essential for small markets to integrate for competitiveness; - Slow trade growth signals insufficient integration; - SMEs need larger markets to expand.	- Implement the strategy for sustainable border control adopted by the EU–Russia Sub-Committee on Customs; - Improve cooperation through the CBSS Working Group on Customs Cooperation; - Open the public sector to competition in areas like waste management and local energy; - Remove barriers to cross-border service provision by implementing the Services Directive effectively; - Enhance cooperation for managing the Single Market by national authorities in the BSR; - Establish a common innovation strategy addressing barriers to FDI.

Exploiting full potential in research and innovation	1. Disparities in R&D institutions' maturity; 2. Need for better transnational cooperation; 3. Lack of effective innovation systems.	- Innovation is crucial for global competitiveness; - Countries must develop systems linking knowledge institutions, private investors, and services; - Stronger cooperation needed to fully utilise regional strengths and opportunities.	- Facilitate transnational cooperation for joint research; - Promote mobility of researchers and high-level human capital; - Develop new innovation support instruments including IPR support.
Implementing the Small Business Act	1. Institutional barriers limiting SME growth; 2. Varying quality of legal frameworks across states; 3. Practical obstacles to labour mobility; 4. Need for better support for entrepreneurship.	- Strengthening entrepreneurship and SMEs vital for economic growth; - High employment and good job quality necessary for competitiveness; - Focus on green businesses can enhance future growth opportunities.	- Promote trade and investment cooperation; - Secure access to capital for SMEs through innovative financing tools; - Encourage female entrepreneurship through targeted support; - Develop offshore renewable energy sectors; - Incorporate entrepreneurship training in school curricula; - Facilitate rural entrepreneurship and enhance labour mobility across the region.
Sustainability of agriculture, forestry, and fisheries	1. Modest cooperation: limited collaboration among agriculture, forestry, and fisheries sectors within the region. 2. Overcapacity in fisheries: overcapacity leading to low profitability, overfishing, and poor compliance with regulations. 3. Environmental challenges: balancing competitiveness with sustainability in harsh agricultural conditions. 4. Rural depopulation: sparsely populated northern areas face pressures from urbanisation and population decline.	Enhancing the sustainability and profitability of these sectors is vital for the long-term economic stability and competitive edge of the Baltic Sea Region, particularly as competition increases in global food and agricultural markets.	- Adjust fishing fleet capacity: continuously evaluate and adapt the fishing fleet to align with available resources through national regulations and the European Fisheries Fund (EFF); - Eliminate discards: establish joint pilot projects to reduce or eliminate discards in fisheries. - Improve compliance: strengthen monitoring and control of fisheries to combat illegal fishing, including high-tech surveillance and enhanced national quota utilisation. - Enhance the effects of the Fisheries Fund's programmes; - Sustainable strategies for wood: develop and implement sustainable strategies for wood production within Sustainable Forest Management frameworks. - Streamline rural development: enhance cooperation in rural development programmes to ensure targeted measures and joint projects.

Source: the author's own elaboration based on the analysis of the *EUSBSR Action Plan* from 2009 (European Commission 2009a: p. 7–8; European Commission 2009b: p. 23–42).

The updated EUSBSR Action Plan 2021

Although it has evolved in line with the overall legislation and policy framework of the European Union, the EUSBSR still aspires to play a pivotal role in enhancing the competitiveness of the Baltic Sea Region by fostering cross-border cooperation, promoting innovations, and addressing common challenges that can limit economic growth. The updated *Action Plan* is related to the strategy's three key objectives: saving the sea, connecting the region, and increasing prosperity. Especially under the objective '*increasing prosperity*' it is focused on enhancing the region's competitiveness through a variety of mechanisms. On the other hand, in the revised document competitiveness is perceived in a much broader sense, for example by acknowledging the importance of sustainability, tackling the environmental problems in order to assure sustainable growth and the inhabitants' prosperity in a long-term perspective. Moreover, competitiveness is commonly used with adjective 'global' (European Commission 2021a), pointing out the high relevance of the increasing the BSR competitiveness in the international context, which was not stressed so much in the first *Action Plan 2009*.

In the new *Action Plan 2021*, the focus is given to policy areas as the operational heart of the strategy. Five of them have a direct reference to the EUSBSR objective '*increase prosperity*', namely: PA Innovation, PA Bioeconomy, PA Education, PA Tourism, and PA Culture. On the other hand, all the policy areas are much more interconnected, which is evident not only in their actions but also in the way they are communicated.

The analysis of the updated *Action Plan 2021* indicates that the EUSBSR prioritises innovation and research-driven economic growth through the promotion of collaboration between research institutions, businesses, and policymakers. This is supported by initiatives such as the programme *BONUS* and flagship projects like *BSR Stars*, which are seen as good examples of the drivers of the development of innovation networks across the region (European Commission 2021a: p. 65–68). By connecting innovation ecosystems, the strategy facilitates the commercialisation of research and technological advancements, driving the region's competitiveness. EUSBSR continues emphasising the importance of SMEs as drivers of regional growth (European Commission 2021a: p. 60, 64–67), but also as crucial stakeholders in BSR cooperation (European Commission 2021a: p. 1, 67). Through transnational projects, the strategy supports SMEs by helping them access new markets, improve productivity, and adopt digital technologies. The strategy also aligns with EU-wide initiatives such as *Horizon Europe* and *InvestEU*, providing SMEs with access to funding and networks necessary for scaling their businesses. One of the core areas of EUSBSR remains improving the region's connectivity. However, in the updated *Action Plan* it is understood far beyond physical infrastructure, emphasising the role of digital networks.

In the updated *Action Plan* much attention is put on competitiveness that goes in line with sustainable development and, thus, it integrates sustainability into its framework for competitiveness. Examples of this approach are delivered in concrete actions developed under each of the Policy Areas. For instance, by promoting the transition to a circular and bio-based economy, EUSBSR encourages industries to adopt environmentally sustainable practices (European Commission 2021a: p. 31–33). This not only protects the Baltic

Sea's ecosystem, but also opens new market opportunities in the green economy, such as renewable energy, waste management, and sustainable tourism, contributes to long-term, sustainable competitiveness in the region.

Competitiveness of the Region is also attributed to the importance of education and skills development. Although, the EUSBSR does not have own funding, Programmes like Erasmus+ and Horizon Europe are indicated to support the exchange of knowledge and best practices across the region, enhancing the skills of the workforce. By promoting cooperation in higher education and vocational training, the *Action Plan* proposes measures aimed to support projects leading the region's labour force to meet the demands of a competitive, knowledge-based economy. Some of the key areas identified as directly related to the *increase prosperity* and Baltic Sea Region competitiveness are summarised in the table below.

Table 2: The key areas of the EUSBSR's Policy Areas directly contributing to the objective 'increase prosperity'.

KEY AREA	MAIN CHALLENGES	RELEVANCE TO COMPETITIVENESS	EXAMPLES OF ACTIONS
Challenge-driven innovation (PA INNO)	Responding to major regional challenges (e.g., climate change, resource efficiency, pandemics, rapid urbanisation, sustainable energy, etc.)	Fostering disruptive, market-shaping innovations that create new opportunities for sustainable growth and competitive advantage in the Baltic Sea region.	- Smart Specialisation Ecosystem (Interreg BSR); - Blue Growth projects like SUBMARINER Network initiatives (Blue Platform, etc.)
Digital innovation and transformation (PA INNO)	Developing and adopting digital technologies (AI, IoT, blockchain, robotics); bridging digital divides; facilitating digital transformation.	Enhances regional competitiveness by supporting businesses and public sectors to implement and scale digital solutions, driving new market opportunities and global success.	- DIGINNO: Digital Innovation Network; - Industry 4.0 Programmes for BSR SMEs; - BSR Smart City Accelerator; - Real-Time Economy projects.
Co-creative innovation (PA INNO)	Building transnational platforms for co-creation, connecting SMEs with research, business, and public groups to overcome market and technology access barriers.	Enables collaboration across borders, expanding resources, knowledge, and expertise, leading to innovation scale-up and improved competitiveness for SMEs and startups.	- BSR Startup Alliance; - SUBMARINER Network's Alliance Accelerator; - Innovation Infrastructure Organisations and incubators; - Transnational R&D facilities.
Bioeconomy for sustainability and climate resilience (PA Bioeconomy)	Unsustainable resource use, climate change impacts, need for productivity and growth through circular bioeconomy in forestry, food, and tourism sectors.	Strengthens economic growth by enabling sustainable resource use, developing new bio-based products and services, contributing to climate resilience and sustainability.	- Sustainable forestry and food systems; - Projects like RDI2CluB, Blue Growth; - Bioeconomy trend analysis; - Workshops for biomass use and biodiversity improvement.

Sustainable agricultural practices (PA Bioeconomy)	Eutrophication from excessive nutrient use, inefficient recycling of resources (phosphorus), limited climate adaptation in agriculture.	Promotes sustainable agriculture practices, nutrient recycling, energy self-sufficiency for cleaner environments, better adaptation, and competitive agricultural sectors.	- Nutrient recycling projects like SuMaNu; - Improved resource management in agriculture and forestry; - Digital solutions for knowledge exchange and adaptation.
Multiple use of biological resources (PA Bioeconomy)	Fragmented resource use across sectors (agriculture, forestry, aquaculture) and limited cross-sectoral collaboration.	Facilitates innovation and competitiveness through multiple-use of resources, industrial symbiosis, and cross-sectoral collaboration, unlocking new market opportunities.	- Support for European bioeconomy strategy; - Policy papers on multiple-use strategies; - Projects using digital tools like GIS for resource management.
Transnational tourism development (PA Tourism)	Accessibility, connectivity, and seasonality in remote/rural areas; need for sustainable tourism to promote local employment and infrastructure development.	Supports sustainable growth in tourism by creating resilient communities, improving infrastructure, and mitigating rural-urban migration while addressing seasonal demand.	- Developing year-round tourism offers; - Promoting sustainable tourism; - Enhancing biodiversity protection; - Flagship projects on tourism in remote regions.
Investing in people, skills, and technology in tourism (PA Tourism)	Skills gaps, lack of digital transformation, and challenges in adapting labour markets and fostering innovation in the tourism industry.	Strengthens competitiveness by developing skills, fostering digital transformation, and promoting innovation to adapt to new business models and labour market demands.	- Digital transformation of tourism SMEs; - Baltic Sea Tourism (2030) scenarios; - Flagship projects on transnational networks and innovation in tourism.
Protection of cultural heritage in tourism (PA Tourism)	Need for greener, more sustainable tourism, respectful of local communities, cultural heritage, and natural resources.	Promotes sustainable tourism through the conservation of cultural and natural resources, fostering eco-friendly practices, and enhancing the appeal of local heritage.	- Promoting green tourism offers; - Eco-friendly mobility; - International cooperation projects focusing on cultural and natural heritage conservation.
Promoting cultural and creative industries (CCS) (PA Culture)	Micro-sized enterprises, self-employment challenges, access to capital, and marketing opportunities for the creative and cultural sectors (CCS).	Strengthens economic growth by promoting creative industries, fostering entrepreneurship, and building institutional support for creative sectors to improve competitiveness.	- Supporting CCS start-ups (30 supported CCS); - Policy recommendations for CCS framework; - Flagship projects like 'Creative Ports' and 'Baltic Game Industry'.
Promoting cultural diversity and European values (PA Culture)	Limited funding for small-scale cultural actions, need for stronger cultural exchange to promote European values and regional cultural diversity.	Promotes social innovation, strengthens civil society, and enhances regional identity by fostering cultural exchange, supporting cultural diversity, and innovation in culture.	- Baltic Sea Cultural City project; - Flagships like 'Urb Cultural Planning'; - Micro-project funding for small-scale cultural initiatives.

Preserving cultural heritage and regional identity (PA Culture)	Need for innovative heritage management, increasing societal/ economic value of cultural heritage, and improving public access to heritage on land and underwater.	Enhances regional identity and attracts tourists by preserving cultural heritage, promoting awareness of shared history, and fostering transnational cooperation.	- Heritage management measures; - Flagship projects like <i>Baltic Sea History Project</i>; - 'BalticRIM' (integrated maritime cultural heritage management).
Preventing early school leaving (PA Education)	Early school leaving leading to NEET situations, lack of support for youth, especially migrants and at-risk groups, and digital transformation in education.	Reduces social costs and improves labour market integration by preventing school dropout and reintegrating NEETs. Improves workforce skills through digital readiness.	- Flagship project: School to Work (S2W); - Platforms for Early School Leaving (ESL) and NEETs; - Strategies to engage 100 members by 2023.
International excellence in research (PA Education)	Lack of coordinated research policies, low transnational use of research facilities, need for improved mobility and commercial viability of research.	Enhances competitiveness by creating a common research and innovation area, improving cross-border cooperation, and addressing societal challenges like digitalisation.	- Flagship projects: Baltic Science Network (BSN), Baltic University Programme (BUP); - Research Internships (BARI); - Yearly conferences, workshops, courses.
A labour market for all (PA Education)	Need for lifelong learning, upskilling/ reskilling for adults and older workers, addressing demographic shifts, and increasing digital competence in the workforce.	Strengthens labour market competitiveness by supporting active aging, lifelong learning, and creating flexible pathways for skill development, including digital skills.	- Flagship project: Baltic Sea Labour Forum (BSLF); - Sustainable Working Life (ESF) project; - Conferences, study visits, working groups for aging and reskilling.
Recognising migrant potential (PA Education)	Refugee integration into the labour market, upskilling of low-skilled migrants, demographic issues with aging populations, and challenges in activating skilled labour.	Fills labour shortages by integrating migrants into the workforce, offering tailored vocational training, and addressing skills gaps in Member States with shrinking populations.	- Early recognition of migrant potential; - Provide tailored vocational education and in-company training; - Refugee labour market integration strategies.

Source: the author's own elaboration based on analysis of the *EUSBSR Action Plan 2021* (see: European Commission 2021a).

The evolution of the EUSBSR – policy implications

The comparative analysis of the *EUSBSR Action Plans* from 2009 and 2021 underscores a significant shift in the EU's macro-regional policy – from addressing barriers to enhancing

regional competitiveness through inclusive, cooperative, and innovation-driven strategies. The *Action Plan 2009* was focused on market integration and institutional reforms to facilitate cross-border market access, primarily benefiting SMEs, with limited emphasis on broader regional competitiveness. In contrast, the *Action Plan 2021* emphasises sustainable and disruptive innovations, cross-sectoral collaboration, and digital transformation, reflecting a proactive approach to competitiveness and sustainability. The EUSBSR's transition from reactive, barrier-focused policies to strategies that foster resilience and adaptability highlights an evolved understanding of competitiveness, informed by both Porter's emphasis on enabling business environments and Krugman's focus on open markets and collaborative growth.

The integration of cross-sectoral collaboration and the promotion of disruptive innovation reflect the region's effort to position itself competitively in the global market. This holistic approach to regional development demonstrates a deeper understanding of the complex factors that drive regional competitiveness in today's interconnected global economy. While analysed within the theoretical framework, the EUSBSR's approach presents interesting empirical evidence of a policy that may be seen as a compromise of two very different approaches to competitiveness. On the other hand, it reflects Porter's recognition of the role of government (here represented as a EU policy framework common for the respective Member States) as a creator of an environment conducive to business development by investing in infrastructure, education, research, and regulatory frameworks. In line with Porter's argument, the *EUSBSR Action Plan 2021* reflects a governmental focus on fostering innovation through long-term investments in these key areas. The plan's emphasis on developing the bioeconomy, digital transformation, and green sectors reflects Porter's idea that governments should not directly intervene by picking winners in specific industries, but should instead support the business environment that allows emergence of competitive clusters. The shift toward cross-sectoral collaboration and start-up ecosystems is a clear indication of how the EUSBSR aligns with Porter's focus on enhancing productivity and creating competitive advantages through innovation, as well as his call for bottom-up initiatives that are market-based and that increase the microeconomic competitiveness (Porter 1998a,b; Ketels, Porter 2021).

On the other hand, the EUSBSR appears to resonate with Krugman's approach to competitiveness, as it avoids protectionist strategies and focuses on building innovation capacity through open markets and global cooperation. By emphasising transnational cooperation and integration with EU funding mechanisms, the EUSBSR promotes a collaborative, rather than competitive, stance on economic development in the Baltic Sea Region (Krugman 1994). Krugman's emphasis on free trade and global cooperation aligns with the EUSBSR's efforts to embed its priorities in broader EU funding frameworks. Primarily, the development of the *EU Strategy for the Baltic Sea Region* underscores the notion that the attainment of a competitive economy and market is fundamentally driven by the pursuit of economic and social objectives, thereby contributing to an increase in social welfare (Androniceanu et al. 2020) and by robust priority given to environmental issues as indispensable for sustainable development of the region, fits well with the con-

cept of sustainable competitiveness. Thus, the macro-regional policies might be seen as a compromise in designing and applying competitive frameworks by the policymakers to facilitate the overall development.

Policy implications of the *EUSBSR Action Plan 2021* include the need for flexible, multi-level governance frameworks that integrate cross-sectoral and bottom-up initiatives to drive regional development. The *Action Plan's* focus on supporting start-up ecosystems, green industries, and digital technologies illustrates a holistic approach to competitiveness, aligning regional objectives with broader EU sustainability goals. However, structural challenges remain, such as embedding EUSBSR priorities within national policies, clarifying the role of flagship projects, and establishing a cohesive multi-level governance structure to strengthen cross-border implementation.

Recent geopolitical tensions, notably the suspension of cooperation with Russia and Belarus, pose significant obstacles, especially in environmental efforts critical to BSR. The objective 'Save the Sea' faces setbacks due to halted pollution control efforts. Future policy adaptations should address these gaps, ensuring that macro-regional strategies not only enhance economic potential, but also respond dynamically to security and environmental challenges. Such adjustments would reinforce the EUSBSR as a framework for sustainable competitiveness, resilient regional collaboration, and shared prosperity.

Conclusions and recommendations

This article examines the European Union's macro-regional policy through the lens of various competitiveness concepts within the EU's evolving political framework, focusing on the *EU Strategy for the Baltic Sea Region* (EUSBSR) as a case study. The author evaluates the mechanisms, extent, and tools, through which macro-regional policies influence regional competitiveness. Macro-regional strategies are viewed as a demonstration of a relatively new approach to competitiveness that goes beyond the traditional concept based on productivity and pure economic indicators. A tailored conceptual framework was developed to facilitate the dynamic analysis of the EUSBSR, with particular emphasis on its prosperity-focused priorities and their contribution to fostering regional competitiveness. By comparing the initial and most recent *EUSBSR Action Plans* (2009 and 2021), the study illustrates the evolution of policy priorities and the institutional factors as fundamental to regional competitiveness over time.

The article highlights the significance of institutional support in fostering cross-border cooperation, public-private partnerships, and effective resource allocation. By focusing on a single case study – the Baltic Sea Region – it provides empirical insights into how coordinated policy efforts can improve economic outcomes and quality of life, enriching the understanding of regional competitiveness dynamics in a broader theoretical context, combining the micro- and macroeconomic levels and referring to sustainable competitiveness theoretical framework.

The findings underscore that achieving a competitive regional economy is intrinsically tied to advancing economic and social goals, ultimately enhancing social welfare

of the Baltic Sea Region countries. Furthermore, the integration of environmental priorities is consistent with sustainable competitiveness, which is essential for the Baltic Sea Region's long-term development.

The conclusions derived from the EUSBSR's approach to competitiveness are as follows:

- 1) Macro-regional policies embody a balanced approach to designing competitiveness frameworks, enabling policymakers to support holistic regional development, while addressing dimensions of sustainability, competitiveness, and innovation.
- 2) Effective regional development requires the ability to adapt to emerging challenges and leverage collaborative efforts across both macro (top-down policies and administrative directives) and micro (bottom-up, cross-sectoral projects) levels. Such a dual approach enhances economic potential and regional competitiveness.
- 3) Managing regional economic potential necessitates ongoing adjustments and improvements. Flexible policy frameworks that leverage existing institutional and legal structures – particularly through the engagement of the “operational level,” encompassing multiple sectors and management layers, as exemplified by macro-regional strategies – can significantly improve policy effectiveness. These frameworks present a viable alternative to management models at various administrative scales, from local to EU levels.

Further research could be focused on measuring the real impact of the EUSBSR's policy framework on competitiveness of the region and comparing its effectiveness with other policy frameworks/models in the areas included in transnational cooperation, both within and outside the European Union.

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