

INSTITUTIONALIZED SUB-REGIONS OF EUROPE – BUILDING BLOCKS OR BLACK PETERS OF THE EU?

Zuzana Zelenická*

RESUME

The European Union as a unique and far the biggest and most comprehensive integration structure in Europe is not the solo player in the continent; there is also a complimentary process of cooperation and integration building on a sub-regional basis. In this article, we try to investigate the nature of such smaller sub-regional groupings and their relationship vis-à-vis the EU. We suggest that the relationship is quite asymmetric. However, the existence of sub-regional structures in Europe is justified. We also speculate on future development of the European governance and the role of the EU and regions in such system. Is the EU afraid of regions?

Key words: *the EU, sub-region, European architecture, cooperation, integration, multilevel governance*

Introduction

The European continent has always served as a suitable wider framework for many regional and sub-regional processes. Especially in the last two decades there has been a process of permanent change of regional setting of Europe and mutual interdependence of these structures. Europe has a rich history of integration as well as disintegration projects; some of them were more successful, other less; some of them survived, others were meant to dissolve or not even come to an existence. However, one integration project stands out from the many as the one having the biggest ambition to cover (if not geographically, then definitely ideationally and morally) the whole continent. The European Union has made a significant progress in the last 60 years as far as the geographic as well as the sector integration is concerned. Moreover, none of the sub-regional arrangements comes even close to the institutional setting, financial background and agenda coverage as the EU.

* Ing. Zuzana Zelenická is an internal Ph.D. student at the Faculty of International Relations, University of Economics in Prague, Czech Republic, e-mail: xzelz04@centrum.cz.

However, the European Union (EU) is not the only successful integration project in Europe. The European continent is a puzzle of a significant number of sub-regional groupings of various form, size, structure, content and orientation. Thus, the European Union as a unique and far the biggest and most comprehensive integration structure in Europe is not the solo player on the continent, although it often acts so. We come out of the premise that the EU - because of its structure, membership, goals and mission - is the integration structure that defines the movement and the well being of the continent. That is why we call the EU the main influential factor of the happening in Europe, including the sub-regional integration.

An attentive observer could identify as many as almost 40 cooperation and/or integration formats within the European continent. They vary in their membership, the scope of cooperation, integration form, ambitions, goals and position within the European architecture. Moreover, they also differ in their relationship towards the comprehensive integration unit - the EU.

This article tries to investigate different formats of mutual relationships between the EU and other sub-regional groupings in Europe. We try to answer the question whether the EU depends on these smaller sub-regional groupings or whether these groupings depend on the EU. We come out of the premise that current Europe is a web of mutual (friendly, utilitarian or cautious) relationships between various very differentiated sub-regional settings. The existence of numerous sub-regional settings and their networks in Europe raises several questions about the future of this territory. How has the EU as the main actor on the European continent dealt with the splitting of its territory? Is the development going in the direction of uniting Europe in diversity or is European Union falling apart? In this article we try to contribute to the scientific debate about the future of European Union and Europe itself.

Methodology and main concepts

In this article, we refer to European Union as a dominant *regional* player meaning that it geographically covers almost the whole continent. When talking about other European structures we rather use the adjective *sub-regional* emphasising the smaller scope and content of such initiatives. It also suggests that the EU is the dominant most influential factor in Europe whereas smaller sub-regional arrangements haven't challenged (and don't even have the ambitions) the comprehensive idea of the European integration of the Union.

The whole article deals with regions, eventually sub-regions. For our purposes, we define *regions* and *sub-regions* as geographically, historically, culturally or ethnically separate units that can be easily distinguished from the others. The main building blocks for regions as used in this paper are national states. However, not only clear differentiation from the surrounding countries is sufficient; the region must consider itself as a unique unit from inside. Moreover, regions manifest their belonging together in their activity in forming looser or tighter cooperation and/or integration formats.

When talking about sub-regional activities, we basically recognize two forms: “*(sub)regional integration*” and “*(sub)regional cooperation*”. International relations recognize both concepts; however, not always distinguish between them. Cooperation and integration could either be understood as a) the two distinct levels of general integration process; or b) the two levels of the same integration process leading from loose cooperation to supranational integration. We incline towards the idea that each integration starts with the looser, informal cooperation. However, in some cases states within sub-regions decide to stop the integration process in its initial phase and form only cooperation arrangements.

The differentiation between cooperation and integration is, however, sometimes difficult. Still, the main determining factors are a) political will to surrender national powers to a higher supranational authority; b) the existence of supranational institutions, c) supranational decision-making, d) common budget, e) legal entity or existence of legally binding founding document.

We treat regions and sub-regions as variable units and their activity as flexible by political will conditioned process. The cooperation and integration activity is thus open to internal (political will, national political orientation, etc.) as well as external (influence of the EU and other groups) influence. The main idea coincides with the social constructivist concept¹ of ever changing social construction of all actors. We come out of the premise that all actors – in our case sub-regional groupings – and their identities and interests are socially constructed by permanent mutual interactions – in our case in the interactions with other sub-regional or regional structures. The structures are identified by shared ideas that construct their identities and interests. The regional and sub-

¹ See A. Wendts work on *Social Theory of International Politics*.

regional cooperation forms on the basis of shared interests vis-à-vis internal (inter-regional) and external (outside the region) issues and ideas of common fellowship.

As far as the methodology is concerned, this article is based on the thorough analysis of existing sub-regional structures and their founding documents. The main source of information are their official web sites where we can find founding documents as well as the history of their meetings, plans, strategies and concrete actions. Although there is much literature on economic integration, there isn't much on other informal types of cooperation and integration. Moreover, the existing literature on regional integration doesn't really distinguish between cooperation and integration concepts and usually, authors cover only the narrow selection of ongoing processes². An overall comprehensive publication on European regional cooperation and integration activity is missing.

However, in this article we only present final categorization and brief description of in detailed studied processes. At the end, we speculate about the further functioning of the EU and its regions.

Legal basis for mutual relationships

The European Union is a unique integration project that has evolved from the idea of economic and political cooperation and mutual trust-building in the after-war Europe. Since its foundation, the European integration process has evolved from the customs union, single market to partial monetary and economic union. The main goal of the EU as stated in the Lisbon Treaty is to create the monetary and economic union of all its members. The EU has also

² There have been two attempts to focus on this topic recently. Namely, it is the dissertation thesis of L.-A. Ghica (*Ghica, 2008*) that primarily focuses on the constructive analysis of international regionalism, regional cohesion and its dynamics in the area of Central and Eastern Europe. The second publication is the analysis of A. Cottey (*Cottey, 2009*). The author examines the period since early 90s and observes the dynamics and driving forces of sub-regional processes in wider European territory. Cottey's and Ghica's classification varies from the one suggested in this paper what offers an alternative explanation of cooperation and integration processes in Europe. However, most of the research on existing regional structures was conducted by the author herself in her dissertation paper on "*European Architecture of Sub-regional Groupings – The Example of the Visegrád Cooperation and Baltic Cooperation*" elaborated at the University of Economics in Prague in 2010.

advanced in political cooperation; however the area of political integration is a very sensitive issue. There have been some attempts to transform the Union into federation-like entity or more centralized super state; however, most of them were refused and denied. But even though there is a significant resistance towards further institutionalization or centralization (not even talking about federalization), the EU can be still considered as an advanced political and economic integration structure.

Today, the EU is referred to as an integration process based on the founding EU and EC treaties: The Treaty on the European Union and the Treaty on the Functioning of the EU³. The Treaties are legally binding for all members; they state the rights and obligations of the EU as well as of the Member states. The failure to meet stated obligations results in pre-anchored sanctions. Moreover - as newly introduced by the Lisbon Treaty - the EU has a legal personality and thus can enter into bilateral and multilateral arrangements with other global and regional organizations and states.

The EU has created a unique institutional structure combining supranational and intergovernmental elements with qualified majority and unanimous voting respectively. Thus the combination of supranational and intergovernmental decision making is used when governing European affairs.

The European architecture of sub-regional groupings thus consists of various sub-regional arrangements in cooperation or integration form. The division between cooperation and integration arrangements is necessary in order to identify the relationship between the EU and sub-regional groupings. The cooperation arrangements are formed on the basis of a political declaration stating the political will to jointly cooperate in areas of mutual interest. Such political declarations are signed by national representatives, but don't need any further ratification. They are mostly documents with no legal power, without sanctions. They often state various formats of cooperation on different levels, set time schedule of further meetings and most importantly name the main aims, priorities and areas of mutual cooperation. However, even if they state some duties, there is no sanctioning mechanism to deal with the ignorance or not implementation of such duties or declared actions.

³ Full text of consolidated versions of Treaties after Lisbon can be found at <http://eur-lex.europa.eu/JOHtml.do?uri=OJ:C:2008:115:SOM:EN:HTML>.

On the other hand, sub-regional integration arrangements – compared to cooperative ones – are founded on an official treaty or agreement to implement certain features of integration. The most known integration forms are connected with the economic integration process evolving from a customs union, a free trade area, a common market to an economic union. In such cases, it is quite easy to detect the founding document that states the main aims and objectives of the group and usually regulates chosen areas of mutual trade liberalizations. Such treaties usually include deadlines for the implementation of certain economic provisions as well as concrete steps to be taken in order to reach wished integration level.

Other type of sub-regional integration activity, not necessarily connected with economic affairs, is the case of regional organizations. These types of arrangements generally speaking describe supranational integration form with supranational decision making, common institutions, budget and most importantly legal entity. Regional organizations can address economic as well as political, cultural, security, defence, or infrastructural matters. When signing the association or founding document the member states agree to observe the rules and obligations, exercise the rights and pursue the common goals as stated in the document. The failure to do so or an attempt to violate the rules eventuates in sanctions, embargos, or even expulsion from the group.

As was mentioned before, the cooperation and integration activity evolves around various areas. Economic cooperation is probably the most frequent form of mutual relations within a region. The reason is obvious as the economic liberalization is in accordance with the general goals of the World Trade Organization (WTO) as well as other global and regional organizations advocating principles of a liberal market economy. Moreover, economic integration is relatively easily achievable as it can “copy and paste” existing formats of integration in the world or just use platforms suggested by the WTO. The WTO also registers such integration arrangements – “regional trade agreements” in the WTO terminology (of its 153 members) so as to facilitate their regulation.⁴

⁴ Regional trade agreements database of the WTO can be found at <http://rtais.wto.org/ui/PublicMaintainRTAHome.aspx>.

However, cooperation and in a less extent integration can also have purely political, cultural, security or defence nature, or eventually a mix of the mentioned. Such cooperation agreements often deal with environmental, infrastructural issues or cross border cooperation. Most of the time, existing formats of sub-regional cooperation deal with a wide scope of issues that concern particular region mainly because of utilitarian reasons. Once there is a functioning cooperation format it is wise to use it to its limits.

Furthermore, the concept of loose cooperation often correlates with political, cultural or environmental notions of a sub-region. Such loose formats are derived from not legally binding political declarations of mutual interest in closer relations. The laxity of such declarations and the free scope of possible cooperation formats hamper all efforts to categorize and organize such formats. We can even say that each such sub-regional cooperation (and in some cases integration) arrangement is a unique one that impedes its comparison with the others. For political cooperative arrangements there are no rules or higher authority that would regulate their functioning. The only authority that oversees such activity is the UN that sets general principles of peaceful co-existence of national states and prosperous well being for all.

The EU as a unique integration project has from the beginning had the ambition to cover the whole European continent, geographically (as stated in the Treaties, all European states if they wish can apply for the membership⁵) and ideationally as well. The EU is thus an open process as far as the geographic coverage and also the integration progress in various areas and policies concerned. So, we identify two parallel processes of exercising the concept of the EU progress: 1) the widening (the enlargement and external policies) and 2) deepening (the communitarisation of affairs) of the integration. As far as the widening is concerned, the notion is dealt with in the founding Treaties. Although the membership is open to every European democratic

⁵ EU candidate has to be a European country that respects freedom, democracy, human and minority rights and rule of law according to the Treaty of the EU (article 6. and 49.). Copenhagen criteria set by the European Council in December 1993 can be summarized to 1) Stable institutions guaranteeing democracy, rule of law and human and minority rights; 2) Functioning market economy, ability to cope with internal market forces and withstand the competition; 3) Ability to adopt *aquis communautaire* and pursue common political, economic and monetary objectives. (http://ec.europa.eu/enlargement/the-policy/conditions-for-enlargement/index_en.htm).

country, the development level of non EU countries now varies so significantly that it would be unwise to allow them to enter the Community until they are prepared. Such hasty and premature step would be dangerous for the stability and prosperity of the whole Union. However, the EU cannot deny the right to join the Union for these countries as it would be a counterproductive move. The EU has thus developed various formats of relations towards its neighbourhood. This aspect will be dealt with later in the text.

Categorization of European sub-regional arrangements

The European continent is a domain of a significant amount of cooperation and integration structures. They vary in the membership, size, form and level of integration, institutions and/or content of their activity. The time and historical context of their origin, their motivation and ambitions as well as the accomplishment of original goals also vary significantly. Having above mentioned restraints of difficult categorization in mind, we try to sketch the complex European architecture of sub-regional groupings according to their characteristics. So, let us design the main categories of sub-regional groupings within Europe according to their:

1. *regional profile*: western-, central-, north-, south-east-European;
2. *date of origin*: after-revolutionary (1989), in the 90's, after 2004;
3. *integration form*: cooperation or integration;
4. *main activities*: economic, political, security⁶;

⁶ We can also divide existing structures *according to their core activities* into: 1) *specialized*: a) economic (BFTA, CEFTA, EFTA, BSEC, etc.); b) "high politics"/political/security (WEA, OSCE, etc.); c) "low politics" (environment, culture, education, etc.); and 2) *universal/complex* (V4, B3, NC, CBSS, SAP, etc. The EU is taken as a complex political, economic as well as security organization of its own type with guarantees to its members. We could then assume that there is no need to create additional sub-regional structures (political, economic, security) when the EU ensures political, economic and security guarantees for all. However, the reality shows a different pattern, namely that there exists a complementary process of creating the sub-regional structures of various nature and size. It is because the EU is still only a sum of heterogeneous actors that stem from differing starting positions and follow different political, economic or security goals. EU thus represents the least possible denominator of political, economic and security demands of the EU27. For this reason, the existence of various specialized sub-regional structures that address specific issues of particular sub-region is justified. The main areas where sub-regional structures are useful are 1) political security and stability; 2) security guarantees; 3) and economic prosperity. Current European architecture can be thus divided also according to the main motives of their activities. However, the extent of this article does not leave space for further analysis.

5. *the EU participation*: EU member/non-member
6. *the role of the EU*: member states, associate members, candidate states,

The end of the Cold War division of Europe carried along new challenges to the European integration process as well as a nonpareil dynamics. With the Maastricht Treaty entry in force the European Union has entered a new era of its existence when so far economic integration gained significant political dimension. The EU has thus become the wider integration framework not only for its current members but also for the European aspirations of the Central and Eastern European countries as well as Western Balkans. We will primarily focus on those regions and their groupings that had to overcome mentioned geopolitical changes and whose main foreign policy wishes included the membership in the EU.

From the geographical point of view we can divide existing sub-regional groupings in following categories:

1. *Western Europe*: Benelux, British-Irish Council, EU, European Free Trade Agreement EFTA, European Economic Area EEA, Weimar triangle W3;
2. *Central Europe*: Visegrád Cooperation V4, Regional Partnership RP, Danube strategy,
3. *Northern Europe*: Baltic Cooperation B3, Nordic Cooperation NC, Nordic-Baltic Cooperation, Council of the Baltic Sea States CBSS, Barents Euro-Arctic Council BEAC, Northern dimension, EU strategy for the Baltic Sea;
4. *South-Eastern Europe*: South-East European Cooperative Initiative SECI, South-East European Cooperation Process SEECP, Regional Cooperation Council RCC, Stabilisation and Association Process SAP, Energy Community, Adriatic-Ionian Initiative, Danube strategy, Central European Free Trade Agreement CEFTA;
5. *Eastern Europe*: Eastern Partnership EP, GUAM, Black Sea Economic Cooperation BSEC, Black Sea Synergy BSS;
6. *Mediterranean Europe*: Barcelona Process, Union for the Mediterranean.

However, we can also name one extra category, i.e. *pan-European integration* that would include most of the European states. This could include the Council of Europe of 1949, Organization for Security and Cooperation in Europe OSCE of 1973/1995, the European Union of 1952/1993, and the

European Economic Area EEA of 1994.

Three generations of regional activity

Unseeing integration activity has occurred immediately after the revolutionary changes of 1989/1990. This new wave of regionalism was influenced by following factors: 1) the end of the Cold War; 2) the disintegration of the Soviet Union; 3) disintegration process in Yugoslavia; 4) the wish for democratic anchoring in Europe.

According to the timing of the origin of the sub-regional groupings along with the prevailing motives we characterize these categories:

1. *First generation - period of the '88-'91* – the strive for political, security, and economic guaranties (V4, B3, NB8, CEFTA, BFTA);
2. *Second generation - period of the 90's* – the effort to prevent the creation of new dividing lines in Europe and the stabilization of the Western Balkans (SECI, SEECP, SAP, ...);
3. *Third generation - post 2004* – the effort for democratic consolidation of the whole Europe (RCC, V4+, Q4, Nordic dimension, Danube strategy, Eastern Partnership, The Union for the Mediterranean, ...).⁷

The EU's position towards the new groupings

We said before that the EU is seen as a dominant actor in Europe due to its geopolitical and humanitarian ambitions and its scope. The EU has used its attractive force to stabilize the whole European continent and thus unite it (in the long run in the EU). The sub-regional groups of Europe use the Union as a reference factor, either explicitly or implicitly. Some of the groupings developed as a preparation for the EU entry; some were proposed and enforced by the Union. Others were meant to form an alternative to the EU; however they eventually also served as a pre-school was joining the EU. The “manipulating power” of the EU is thus visible throughout the whole continent. The reasons can be seen in the fact that 1) most of the European countries look up to the Union and strive for full membership; 2) the EU adopted political and economic provisions as democracy, market economy, liberalization, rule of law, protection

⁷ Similar classification on the Post-Cold War Era, the Enlargement Era, and the Post-Enlargement Era was introduced by *Cottey, 2009*.

of human and minority rights that are attractive for all countries irrespective of the EU membership ambitions; 3) purely utilitarian reasons to be part of a strong regional and global player.

In order to assess the mutual relationship of the EU, let's look on the EU side of the equation. How has the relationship of the EU towards sub-regional groupings been since the end of the 80s that brought about a new wave of integration initiatives?

First generation of sub-regional activity - period 1988-1991

First, the EU was quite reluctant towards new groupings whose main aim was to get closer to the EC/EU as much as possible. Indeed, the EU was absorbed with its internal debate of defining its post Cold War role in Europe. Moreover, the foreseeing Maastricht Treaty was a big internal change to the decision making procedures, as well as the institutional and financial setting. That is why the self-centred problems of the EU were more important and pressing than the question of relations towards the newly emerged sub-regional groupings. The EU has never officially asked for and/or requested their creation, nor has approved and supported them in any way. The only (relatively small) political and financial support was directed towards individual states rather than sub-regional groupings. The groupings themselves doubted on many occasions the support of the EU and its true basis. They thought that the occasional support of the EU stemmed from the reluctance of the Union to grant potential candidate states full membership status. They feared that sub-regional integration was supported only as a substitution for the full membership. The irony of that period was the fact that the groupings looked up to the EC/EU as the only guarantee of stability, democracy, security and prosperity and thus their desired full membership as their final return to Europe. And the EU stayed cold towards their wishes and ambitions. Among the first cooperation groups that emerged after the end of the Cold war were the Central European Initiative (CEI), of 1989 the Visegrád Cooperation (V4) of 1991 and the Baltic Cooperation (B3) of 1991. Especially the last two were created to 1) get a form to the newly emerged regions – as the expression of their regional identity and a way to show the West that they also belong to Europe; 2) to facilitate their EU and NATO membership ambitions.

Second generation of sub-regional activity - period of the 90's

The situation changed slightly after the 1993 with the Copenhagen membership criteria what basically meant that their wishes were acknowledged. The situation for the Central-European states improved then, but on the contrary for their sub-regional groupings the situation worsened as the EU preferred strictly individual approach ignoring existing regional settings. This approach caused competition and rivalry instead of cooperation and coordination. The common activity re-emerged with the approaching entry date; however the original level has never been reached again. All of the sub-regional groupings (except the Baltic Free Trade Agreement that lost its sense) have survived even after the accomplishment of the original goal, i.e. integration into the EU. They have re-structured, reevaluated their goals and priorities and thus adapted on their new role as integral parts of western developed Europe.

However, since their incorporation into the EU, they have been still searching for their new utilization, within the EU as well as outside its boundaries. They use various cooperation formats to join forces within the Union to enhance their decision making power, as well as outside Europe to forward their transformation and association experience to European neighbours and intermediate their European ambitions.

The second period of integration activity had a slightly different motivation. We can say that the end of the Cold War had among newly defined states both the winners (Central European states including the Baltic states) and the losers (the Balkan countries including the former Yugoslavia). The 90s can be characterized as the lost period for the Western Balkans, especially for the Yugoslavia which has been tossed in violent conflicts and wars since the beginning of the new decade. The disintegration of Yugoslavia ceased great attention all around the world, but especially in Europe and the EU. The EU realized that instability in its south-eastern corner could threaten the stability and security of the whole Europe and became active in this region. In this case it was the EU that imposed regional (political, security and economic) cooperation in this region as a precaution for eventual conflicts and premise for the potential association with the Union. So the second generation of sub-regional groupings has enjoyed official EU support from the very beginning. Moreover, the EU became a full participating partner in many of the regional initiatives. The main aim was to prevent the creation of new dividing lines in Europe and to stabilize the Western Balkans so it does not pose a threat to

European security and stability.

The trend of the second generation sub-regional groupings in the Western Balkans is the durability, flexibility and adaptability on changed situation. The stress is given on the progress of the states in their mutual cooperation as a necessary pre-step for their further integration into western structures.

Third generation of sub-regional activity - post 2004

The newest generation of sub-regional groupings in Europe reacts to the ambitions of the EU to become the regional as well as world leader. The last Eastern enlargements of 2004 and 2007 revived debates about the EU finality - its final shape and form. The EU aspires on the role of pan-European guarantee of democracy, stability, security and prosperity; that is why the happening behind its borders also concerns it. The irony of the last enlargement and with that connected enlargement exhaustion and fatigue is that it created a new visible divide line in Europe. This divide line seems to be quite thick and unbreakable, surely not in a short run. On the other hand, the EU has created platforms of cross-border cooperation between the EU and its outside partners to at least a bit blur the lines between them. Another reason is to answer their calls for closer cooperation and/or association and to a certain very limited way satisfy their European ambitious so as not to drive them away from the European democratic future. These wider formats include the Southern Europe and Northern Africa, Eastern Europe and Caucasus, as well as Northern Europe. Compared to the first wave of regionalism, the EU (or its institutions, mostly the Commission) is often a full member or an observer in these initiatives to ensure its proper use and manifest the EU interest.

Another parallel trend is to create cooperation formats that include various sub-regional groups as well as non-member countries. These platforms arise especially due to the challenges of globalization, e.g. financial and economic crises, environmental issues, insufficient natural resources, culture, infrastructure, etc. Examples of such designed platforms could be the Baltic Sea strategy, Council of the Baltic Sea States, Barents Cooperation, Danube strategy, Northern dimension.

European architecture according to the integration form

From the many possible categorizations, we will now focus on the division according to the integration form. As was described in the beginning,

cooperation and integration could be defined as two stages of a general integration process leading to some supranational elements. However, integration process only rarely concludes in its final stage of economic, eventually political union. Usually, it stagnates at some earlier point. That is why we can identify structures that stayed at the initial cooperation stage as well as structures that created supranational institutions and decision making. The evolution of the integration process and its progress depends on various factors, but mostly on the objective and even more often subjective un/wiliness to surrender competencies and decision making.

Existing structures are assigned to two basic categories: *cooperation* and *integration* and subsequently three sub-categories of cooperation (*ad hoc cooperation* – meetings only when needed or in case of pressing issue; *consultative forum* – permanent meetings at various levels as set in time table; *institutionalized cooperation* – cooperation of a number of institutionalized bodies under specified rules), and integration (economic integration, political union, regional organization).⁸

The decisive factors are following: 1) the existence of supranational institutions and decision making; 2) the binding power of final documents; 3) legal entity; 4) the existence and construction of a budget.⁹

1. Cooperation

- a. *Ad hoc cooperation*: RP 2001, W3 1991, SEECF 1996;
- b. *Consultation forum*: *British-Irish Council* 1999, V4 1991, Danube Cooperation DCP 2002, CBSS 1992, Barents Euro-Arctic Cooperation (BEAC + BRC) 1993, SECI 1996, (SEECF 1999) → RCC 2008, AII/AIC 2000;
- c. *Institutionalized cooperation*: B3 (BC+BCM) 1991, NB8 1992, Nordic Cooperation (NC+NCM) 1952/1971.

⁸ In the following text, conventional English abbreviations are used for sub-regional groups.

⁹ Let us remind that not all attributes are represented at the same amount; that is why we take their own view of themselves into considerations as written in their official documents. We also admit that the categorization is not fixed and unchangeable and it could vary according to the author and used criteria.

2. Integration

- a. *Economic integration (customs union/free trade agreement/common market/economic union*: Customs Union Lichtenstein a Switzerland 1922, EFTA 1960, (BFTA 1994), CEFTA 1993, Benelux 1994, + EU
- b. *Political union*: Benelux 1944;
- c. *Regional organization*: Western European Union 1948, OCSE 1973/1995, Council of Europe 1949, CEI 1989/1992, BA 1991, NC 1952, BSEC 1992, Energy Community 2006.

As the list above shows, the most prevailing trend in Europe is the variously tight *intergovernmental cooperation* on the basis of consultative forum for its member states. Typically it is a specific region that geographically binds member countries together. Let us mention Visegrád Cooperation, Council of the Baltic Seas States, Barents Sea Cooperation, Danube Cooperation and the processes in the Western Balkans. Despite the geographic proximity the member countries often differ significantly. Pursuing of its own foreign policy strategy and specific national problems are the main reasons why states don't proceed in deeper integration. The cooperation is based on the prearranged schedule of representatives' meetings at all levels and not binding declarations, recommendations or statements as the outcomes of their activity. Their activity covers cooperation in areas of both high and low politics; however the sensitivity of most high-political matters leaves the floor to cooperation in areas as culture, education, science, research, environment, cross-border cooperation, transport, infrastructure or economic cooperation.

The second suggested category called "*institutionalized cooperation*" represents such arrangement of mutual relations that builds on the existence of institutions with certain integration characteristics and their mutual cooperation. Usually, this is the case of comprehensive cooperation of inter-governmental and inter-parliamentary forms and/or their joint meeting. This setting is typical for Baltic Cooperation and its model the Nordic Cooperation, and even for their joint cooperation on the platform of Nordic-Baltic Cooperation "NB 5+3" ("NB8").

The third type "*ad hoc cooperation*" as the Weimar triangle or Regional Partnership represents very loose formats of cooperation that activates only in urging need to solve some regional issue, or less frequently when a common interest of member states arises. These are loose forms, rather called coordination of positions; still they could in some cases of strong common

interest play useful role.

Surprisingly, in the regional architecture of Europe the *integration form* is less frequent. In general best know category of economic integration represent such forms as passport union, customs union, FTA, common market or the monetary and economic union. To this category we assign the today not existing Baltic FTA and the still functioning CEFTA that have served as preparation for eventual Single European market entry. Another EEC alternative has been EFTA which has indeed also served as a pre-school for some of its members.

The most represented integration form became the "*regional organization*". Regional organization refers to an institutionalized organization according to the international law with international institutions, secretariat, budget and supranational decision making. Baltic Assembly and Nordic Council call themselves regional organizations as they are supranational bodies with decision making power. However, in aggregate constellation with other bodies they form above mentioned institutionalized cooperation. Another examples of regional organizations are the Black Sea Economic Cooperation (*BSEC*), the Central European Initiative (*CEI*) and the Energy Community (*EC*).¹⁰

¹⁰ In 1992 the Black Sea Economic Cooperation (*BSEC*) was established, originally as a model for multilateral political and economic cooperation aiming to ensure the stability, prosperity and peace in the region and harmonic neighbourly relations. Agreeing on the Charter of May, 1st 1999 BSEC obtained international legal entity and became regional economic organization – Organization of the Black Sea Economic Cooperation – with permanent secretariat, Council of the Foreign Ministers and other bodies of inter-parliamentary, inter-governmental and business cooperation including its own bank. Each institution has its own budget and outputs in the form of agreements, decisions or declarations that are binding for the signatories.

From the smaller sub-regional structures, the Central European Initiative (*CEI*) comes close to this category. CEI is considered the oldest sub-regional organization of Central and Eastern Europe from 1989. Its main objective is to promote political and socio-economic development in the region so as to prevent new dividing lines in Europe. Today, it focuses on drawing the EU non-member countries closer to community standards. Basically it is a consultative forum that operates in three dimensions: inter-governmental, inter-parliamentary and business dimension. CEI is based on a sophisticated system of all-level meetings. It provides for a permanent secretariat and a common budget that is used to finance many common projects. Member states contribute to one compulsory and two optional funds. Moreover, the CEI was enabled to participate and draw financial resources from EU funds. The functional structure and financing in particular characterize CEI as a regional organization. Energy Community (*EC*) is another form of organization with the participation of the EU and western Balkan states. It has a strong institutional background with the aim to implement community *acquis* in the field of energy in the countries of the Western Balkans. In doing so the internal energy market is being expanded onto the South-Eastern Europe on the basis of legally

Comparing the representations of “*cooperation*” and “*integration*” (eventually “*regional organization*”, we come to a conclusion that the European architecture is dominated by more or less tight cooperation arrangements. It is the reflection of states’ unwillingness to surrender their sovereignty in favour of supranational institutions. Furthermore, the integration in the framework of the EU demands significant transfer of decision making competencies in favour of community bodies; losing of more national powers is unacceptable. The only acceptable solution to stay sovereign and at the same time use benefits of mutual cooperation is the choice of loose uninstitutionalized form of cooperation on the regional basis. However, that also unveils another characteristic of sub-regional forms, i.e. the significant dependence on political wiliness of particular members to cooperate.

Another conclusion we can draw is the pattern that the bigger the number of members in a grouping, the harder the formulation of particular objectives of regional cooperation. With the increasing membership, the risk of incompatibility of foreign policy regional and pan-European priorities also increases. Moreover, the ability for an action as well as the group’s dynamics decreases in directly proportional manner. Comparing “*cooperation*” and “*integration*” the challenge of a common solution is much higher in the case of integration. The failure to meet the intersection of priorities, interests and objectives in an integration could lead to exclusion or suspension of the non-conform member. In the case of cooperation the odds of positions don’t necessarily result in abandoning the group while the nature of cooperation arrangements does not oblige to unanimous stance and there are no sanctions.

Regional concepts of the EU

To be precise we also have to mention another aspect of European architecture: the EU relations to its surroundings. The EU is quite aware about the ongoing and still open debate about its own finality. The reality of today is that the EU spreads over the most European continent; the rest is called its neighbourhood. It is obvious that the happening in European neighbourhood cannot be ignored or neglected for security, stability and ideational reasons. However, the EU enforces an inclusive concept (also seen by the Visegrád and

biding legislation which has a positive influence on the energy security of the region and the EU as a whole. Contributions to a common budget originate from 7 member states, but the majority 98% comes from the EU.

Baltic states EU entry). Due to internal (institutional) and external (economic and political immaturity of neighbours) reasons, the EU maintains following scheme of relations with its neighbours (sketched in a very simplified way): 1) *candidate states* – from 2005 Croatia, Macedonia, and Turkey; 2) *potential candidates* – Albania, Montenegro, Bosnia and Herzegovina, Serbia, Kosovo; 3) *associate or partner countries* – Belarus, Ukraine, Moldavia, Armenia, Azerbaijan, Georgia, and Barcelona process participants (northern Africa, Middle East).

Process of enlargement is one of the instruments of advocating the EU inclusive concept and at the same time important attribute of its soft power. EU strives to create an area of stability, prosperity, security, democracy and rule of law that is quite attractive for the neighbours. The EU membership has been an ultimate goal of most European countries and their groupings. After the '89 the attention of the Union turned towards the Central and Eastern European states aiming at the final unification of Europe. And vice versa, the Central and Eastern European states turned towards the EU and wished for the fastest membership as the final confirmation of their return to Europe. After the successful Eastern enlargement of 2004/2007, the Union's attention turned to South-Eastern Europe – traditionally a priority region suffering from violent conflicts. The cure for this long troubled region is seen in its closer association with the EU. Future enlargement is thus going to have south-eastern direction.¹¹

¹¹ The convergence of western Balkans and the EU occurs in the framework of the *Stabilization and Association Process (SAP)*. Similarly to Europa Agreements of the Eastern enlargement, the EU concluded with each Balkan country so called Stabilization and Association Agreement that sets mutual rights and obligations. Also in this case, the EU observes individual approach to potential candidates, i.e. it evaluates each country on the basis of executed Copenhagen criteria and conditions under the SAP. The main objectives of the SAP are: 1) stabilization of countries and swift transformation to market economy; 2) promotion of regional cooperation; 3) eventual membership in the EU. Namely the second point is a novelty that occurs for the first time using the experience of Eastern enlargement. SAP is thus not strictly bilateral approach; the emphasis is put on regional cooperation. Part of SAP Agreements is a clear obligation and manifestation of regional cooperation. According to EU officials, regional political and economic cooperation is the only possible way how to successfully face common challenges as the insufficiency of energy resources, pollution, underdeveloped infrastructure, cross-border criminality, etc. The EU hopes that such approach would teach the countries to peacefully cooperate on a smaller scale before they become members of the EU; urges them to create FTAs before they enter the European single market and wishes to reintegrate Western Balkans into infrastructure networks (*europa.eu*).

Besides enlargement the EU creates other regionally specified formats of cooperation. These formats apply to both member and non member states. It began in the mid 90s with the Barcelona Process of conducting political and security dialogue, economic and financial partnership and social, cultural and civic cooperation. Originally it covered only Mediterranean states with no ambition to become full members, in contrast to Central and Eastern European states. Later, this policy evolved into so called European Neighbourhood Policy ENP. Now, similar framework of mutual relations is applied to Mediterranean area - *The Union for the Mediterranean*, Eastern Europe - *The Eastern Partnership (EP)* (both parts of ENP); Black Sea region – *Black Sea Synergy (BSS)*; and strategy for Western Balkans - *Stabilisation and Association Process (SAP)*. (*europa.eu*)

As a subcategory of such regional approach of the EU towards its surroundings we can also name *the Nordic dimension* that also covers EU non-member states, and *Council of the Baltic Sea States (CBSS)* with the participation of the European Commission. The cooperation around the Baltic Sea was quite inspiring for the new regional initiative for the Danube river - *Strategy for Danube River*.

Regions as a threat to the EU?

In the previous text we tried to describe some aspects of European sub-regional architecture. Of course, one must be aware that the architecture can be described from various points of view that complement above suggested picture.

Now, let us try to summarize the mutual relationship between the EU and sub-regional formats. As was suggested before, the EU maintains various formats of mutual relations towards sub-regional groups. Some of them are more official, others are not mentioned at all. We can conclude that the relationship among sub-regional structures and the EU is an asymmetric relationship: *(partly-)official from the side of sub-regional structures* - the EU is considered as the reference factor and modifier of their agenda, the EU is also referred to in official documents and declarations; *unofficial from the side of the EU* – the EU does not officially mention the existence of sub-regional groupings.

When studying the EU documents and official statements, we see that the understanding of European regions from the EU side varies. Most frequently we find classification of regions for the uses of Cohesion and Structural policies –

which is fundamentally different understanding to the one introduced here. The EU indeed “verbally” supports and promotes the activities of sub-regional groups but in official documents it stays rather cagey. We could thus suppose that the EU is 1) rather indifferent to their existence; 2) or it does not know how to address them; 3) or it considers them as its complementary even though unofficial parts. All three statements could be justified. The existence of sub-regional structures is institutionally and financially independent on the EU; the dependency is mostly implicit due to the agenda that is transmitted from the community to sub-regional level, at least because of the parallel membership in the EU and sub-regional structure. Moreover, the EU does not address these structures as it defends strictly individual and thus equal approach. Regional approach is used only when dealing with its surroundings whereas the Union is the initiator of such regional platforms.

However, the existence and functioning of sub-regional arrangements is justified as they play a role of regional agents dealing with specific regional issues and at the same time in accordance with the objectives and values of the Union contribute to stability, prosperity and security of the European continent.

Why is it then that the EU does not recognize sub-regional cooperation and integration groups when it finds them important? Is the EU afraid of strong regions? Let’s speculate and come up with several possible scenarios.

We have already suggested several reasons for the rather reserved EU stance towards sub-regional arrangements in the previous paragraph. The EU as a legal entity has concluded official relations with global and regional intergovernmental organizations. Namely they are four international organizations: OECD, UNESCO, UN a WTO; and nine regional organizations: Andean Community, Asia Europe Meeting (*ASEM*), Association of South East Asian Nations (*ASEAN*), Council of Europe, European Economic Area (*EEA*), Gulf Cooperation Council, Mercosur, Organisation for Security & Co-operation in Europe (*OSCE*), South Asian Association for Regional Co-operation (*SAARC*). (*europa.eu*)

On the case of European organizations, e.g. Council of Europe, it is a political cooperation based on a dialogue and common projects in the area of the protection of basic human and civil rights, rule of law, fight against crime and corruption, promotion of education, culture and many others. Thus it is cooperation with significant international organizations of a universal scope that

cannot be ignored. The cooperation evolves on the basis of agreements about joint meetings and following actions. The differentiation between universal/global and regional is does perceived in a different way as suggested in this text. It is not the case of sub-regional cooperation, but rather a pan-European one, and quite a different one in its nature.

Officially, the EU has no other relations with other sub-regional groups, except the cases when the EU is a full member of the group and thus takes directly part in the political and most often economic integration process. However, we must distinguish between bilateral EU-country relations and EU-sub-regional group relations (e.g. forms FTAs with associate countries). The one reason for the lack of bilateral relations might be the missing legal personality of many sub-regional cooperation groups as a pre-condition for signing agreements. The other reason might be the missing enforcement mechanism in case of loose political cooperation formats that would carry out provisions of mutual treaties.

The European Union as a concept of multilevel governance?

We might speculate that the EU intentionally ignores institutionalized sub-regional groups as they present a threat to its centralized unification goals. We have already defined the EU as an integration process with an open end.¹² Lets imagine a hypothetical situation that the EU reaches its geographic limits¹³ and enlarges itself to the western Balkan, eventually by Turkey (theoretically we can also consider the enlargement by Eastern Partnership countries; Russia's entry is very improbable). It is possible that in such wide European Union, various sub-regional sub-group of states on variable basis (geographic, cultural, ethnic, lingual or traditional). These sub-regions might serve strictly utilitarian needs simplifying multiple processes in Europe – there will be a kind of a labour division between Member countries and their regional cooperation (e.g. protection of external borders will be managed by border countries, border sea control, marine traffic and fishery will be managed by seaside countries, stabilization of the Eastern border will be designated to Visegrád countries, correct relations with Russia will be managed by Baltic countries, etc.) On the other hand, sub-regions might play an active role in the so called multilevel

¹² See debates about the Union's finality.

¹³ To consider the Union's finality from the economic-political integration point of view is for this consideration irrelevant.

governance concept - a concept that assumes the establishment of governance networks not only among states but also non-state actors: regional organizations, NGO's, interest groups, etc. The EU would thus move from vertical governance (towns – municipalities – regions – states - European supranational institutions) to the system of horizontal governance among sub-regions within the EU. However, such consideration opens the whole range of questions: Of what type and form will these sub-regions be? Must this form be universal for all of them? Would they have to have legal personality or would informal loose consultation platforms be respected as well?

Most sub-regional cooperation and/or integration in Europe arose from the (direct and indirect) stimulus from the Union. In other words, their foundation was explicitly and implicitly invoked by the EU. On the other hand, the EU does not officially recognize almost any of these sub-regional activities. The creation of such sub-regional structures and their interconnection thus corresponds with the concept of creating the networks of governance 1) as by the Union enforced forms of cooperation; or 2) as a natural process of cooperation networks creation and formation of multilevel governance.

If we continue with presented consideration about the existence of sub-regions of various integration forms as fundamental elements of the multilevel multidimensional governance, we suggest two possible scenarios.

The EU would welcome such structuralization of its activities and governance as it would help it to cope with a vast amount of differentiated Member states and their various (often contrary) interests. Such structuralization would stabilize the Union, help to practically manage and govern the Union, and in such way to unite Union in its diversity.

Second scenario suggests situation when mentioned structuralization of the EU on smaller relatively independent and self-conscious units would lead to disintegration and dissolution of the Union. The EU would not perform democratization, stabilization, defence and economic functions for its regions any more; that is why the EU would not be needed any more.

Here we can ask another question that partly stems from the previous research of the historic relations between the EU and sub-regional structures. Is the EU afraid of the regions and their cooperation and integration efforts? As was shown earlier, the EU is mostly indifferent towards their existence (maybe with the exception of Western Balkans). Is it because the Union does not treat them seriously? Does it see them as attempts to undermine the Brussels

authority and smash the European unity? Or does the Union prefer the centralization so as not to share financial resources and competencies with regions? Do the regions present a serious threat for the order and discipline within the Union?

Conclusion remarks

To predict whether and if yes to what extent these scenarios will ever come true is too early now. In any case, these are not attacks or critique of the Union and its governing practices. These considerations arose from an academic debate with scholars of the European integration and are only speculations on possible development of European regional architecture and the role of the EU within. The notions of multilevel governance and the role of the regions (and sub-regions) definitely deserve more attention in the academic as well political debate.

We think that regions and sub-regions and their mutual cooperative activity represent an important building block of the European architecture. They vary significantly in scope, extent and mission; however they all complement the comprehensive integration process resulting in the creation of the European Union. The EU as a dominant and most influential actor should realize that it is not possible to represent the whole European continent without recognizing various sub-regional initiatives. The Union should take a firm and positive stand towards sub-regional arrangements as they fill in the gaps that the EU is unable to cover. To be realistic the EU has adopted a very ambitious position to become the advocate of the whole Europe. But Europe is such a diverse and variable area that the vision to unite the continent seems sometimes beyond its reach. And in this situation the regions enter the stage to complementary serve regional needs.

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- WTO: <http://www.wto.org>.

List of sub-regional cooperation and integration arrangements of political nature

Western Europe:

- **Benelux** – *Political and Economic Union - (1944)* – Belgium, The Netherlands, Luxembourg
- **British-Irish Council** - (1999) – Ireland, UK, Northern Ireland, Scotland, Wales, Guernsey, the Isle of Man, Jersey

Central Europe:

- **CEI** – *Central European Initiative – (Nov. 1989)* - CZ, HU, PL, SK, AT, SI, IT, BG, RO, Albania, Belarus, , Montenegro, Macedonia, Moldavia, Kosovo, Serbia, Ukraine
- **V4** – *Visegrád Four – (Feb. 1991)* - CZ, HU, PL, SK
- **W3** – *Weimar triangle – (1991)* - PL, FR, DE
- **RP** – *Regional Partnership – (June 2001)* – AT, CZ, HU, PL, SK, SI
- **DCP** - *Danube Cooperation Process – (2002)* - AT, DE, **CZ**, SK, HU, SI, BG, Bosnia and Herzegovina, Croatia, Moldavia, Serbia, RO, Ukraine, EC, SPSEE

Northern Europe:

- **The Nordic Passport Union** - (1954) – DA, Faer islands, SV, NO, FI, Island
- **CBSS** – *Council of the Baltic Sea States – (March 1992)* – LI, LT, ET, DA, DE, FI, IS, NO, RU, SV, EC
- **NC** - *Nordic Council/Nordic Council of Ministers – (1952/1971)* – DA, FI, IS, NO, SV
- **NB8** – *Nordic-Baltic Cooperation – „5+3“ – (May 1992)* – LI, LT, ET, DA, FI, IS, NO, SV
- **B3** – *Baltic Cooperation – (1991/June 1994)* – LI, LT, ET
- **BEAC** – *Barents Euro-Arctic Council – (Jan. 1993)* – DA, FI, IS, NO, RU, SV, EC

South-Eastern Europe:

- **SECI** – *South-East European Cooperative Initiative* – (Dec.1996) - Albania, Bosnia and Herzegovina, BG, Croatia, GR, Macedonia, HU, Moldavia, Montenegro, RO, Serbia, SI, Turkey
- **SEECF** – *South-East European Cooperation Process* – (July 1996) - Albania, Bosnia and Herzegovina, BG, Croatia, GR, Macedonia, Moldavia, Montenegro, RO, Serbia, Turkey
- **SPSES** - *Stability Pact for South Eastern Europe* – (June 1999) – follower of the Royaumont Initiative-Process of stability and good-neighbourly relations in South-Eastern Europe (1995) – Albania, Bosnia and Herzegovina, Montenegro, Croatia, Kosovo, Macedonia, Serbia, BG, RO, HU, EU, RF, Turkey, the USA
- **RCC** - *Regional Cooperation Council* – (Feb.2008) – follower of the SPSEE - EU, Albania, Bosnia a Herzegovina, BG, Croatia, GR, Kosovo, Macedonia, Moldavia, Montenegro, RO, Serbia, Turkey
- **SAP** - *Stabilisation and Association Process* – (2000) – Albania, Bosnia and Herzegovina, Montenegro, Croatia, Kosovo, Macedonia, Serbia
- **Energy Community** – (July 2006) – EU, Albania, Bosnia and Herzegovina, Montenegro, Croatia, Kosovo, Macedonia, Serbia
- **AII/AIC** - *Adriatic-Ionian Initiative/Council* – (March 2000) – Albania, Bosnia and Herzegovina, Croatia, GR, IT, Montenegro, Serbia, SI
- **Q4** – *Quadrilateral Cooperation* – (2000-2010) – HU, IT, SI, Croatia, original aim fulfilled, activity dissolved into the RCC, CEI, EU, NATO