Conference papers are works-in-progress - they should not be cited without the author's permission. The views and opinions expressed in this paper are those of the author(s).

www.uaces.org
Abstract

Following the Baltic See Strategy (EUSBSR) the European Danube Strategy (EUSDR) as the second Functional Macro-Regional Strategy had a very good start in 2011. After this good start, however, its career has been rather controversial due to the contradictory tendencies of the European Governance Initiative and the increasing Core-Periphery Divide. Whereas the former has opened up new perspectives for EUSDR, the increasing Core-Periphery Divide has aggravated the conditions for this complex long-term Strategy, and altogether, the global crisis has marginalized many important issues for the EU, including the Danube Strategy. Although the Danube Strategy is still a vital issue also for the New Member States concerned, yet the present decline in their competitiveness and good governance has strongly deteriorated its implementation. Nowadays, the Danube Strategy needs a new initiative by the developed Western member states – the German provinces of Baden-Württemberg and Bavaria, and Austria – to reinvigorate this Danube Valley integration process.

Introduction: The European Governance Initiative and the Core-Periphery Divide

The Danube Strategy (for short, DS) began its fourth year of its lifetime in 2014 and it has had a roller-coaster-type of the up-and-down ride in the first three years. The history of the DS cannot be understood from itself, it needs a much wider global view of explanation for this “ride”, since the DS has been so deeply embedded into the turbulent history of the EU, and even more into the troubled history of the New Member States (NMS), which have been painfully hit by the global crisis. DS has been so much involved in this globalization process that in fact it has only been a short chapter in the very complex EU history, therefore it cannot be analysed separately from the main megatrends of the subsequent crisis periods. In such a way, there has been no linear or evolutionary process in the DS case either, but a cyclical development. Nowadays it is
enough to hint at the Ukrainian crisis to point out that this roller-coaster ride may start a new downward road.\textsuperscript{1}

DS history has been reflecting the two contradicting tendencies of the emerging European Governance Initiative and the increasing Core-Periphery Divide due to the global crisis. As to the positive tendency, in the 2010s there have been two social innovations launched by the EU from both the institutional side and policy side. The EU Governance Initiative has presupposed both the multilevel governance (MLG) and the multidimensional governance structures (for short, MDG) that complement one another as two sides of the same coin. There have been many references in the EU official documents both about the MLG as the institutional levels of the European Architecture and about the MDG as the policy coordination structures. In fact, MLG is the key term for the EU democratic system, while the MDG is at the heart of the EU2020 Strategy with the new socio-economic drivers of growth “beyond the GDP”. Accordingly, this paper is focusing on the EU Governance Initiative, since MLG and MDG are equally important both at the EU and at macro-regional levels.

The DS has been based on these two social innovations, and it may be the symbol for the change of both the institutional and the development paradigms. First of all, the DS is a big opportunity for developing the new European architecture. In fact, the Danube Valley is very heterogeneous economically and politically, although very intensively connected culturally and socially. The Danube Region has very wide disparities: “The Region encompasses the extremes of the EU in economic and social terms. From its most competitive to its poorest regions, from the most highly skilled to the least educated, and from the highest to the lowest standard of living, the differences are striking.” (EC, 2010: 9). Hence, as a laboratory for EU2020, it can prove the capacity of the MLG-type democracy and MDG-type of the social progress by turning territorial capital to social capital. The Danube Strategy is connecting three very different macro-regions into one Functional Macro-Region (FMR), since it is between the old and new member states, and in addition, it connects some West Balkan and East European states to the EU. DS is constructing a bridge between the rich and poor, dynamic and laggard regions, based on the common history and geographic connectivity. The NMS countries in-between are supposed to contribute to the reunification of East and West in Europe.\textsuperscript{2}

As to the negative tendency, the concentration on the global crisis management in the EU has led to the marginalization of many vital issues like the functional macro-regions, including the Danube Strategy. Moreover, during the global crisis the NMS countries have gone through a couple of volatile, turbulent years that has increased the formerly existing Core-Periphery Divide beyond recognition. Mistakenly, the tacit assumptions of DS are that by the accession the NMS countries have become democratic and would stay democratic with good governance. By now, however, this hidden
curriculum has proved to be false. These countries have recently gone through a deep crisis resulting in the institutional and policy deficit, since the last years can be characterized by the poor crisis management due to the low capacity of governments and public institutions (BTI, 2014), and there have also been serious considerations about the high level of corruption in NMS (EC, 2014a). Their places have been lowered in the rankings of international competitiveness and therefore the trust in their political elites has declined drastically close to the last places of the country rankings globally (WEF, 2013). All in all, they have lost the strategic visions and they have not been able to meet the DS challenges.

Altogether, the NMS countries suffer from the infantile disease in the EU because of the failure in implementing both the institutional MLG paradigm and the development MDG paradigm. Actually, none of the NMS countries concerned has organized an MLG-type of democracy, first of all no genuine NUTS-2 regions with a large development capacity on their own. Just to the contrary, even the existing regional capacities have recently been diminished everywhere, hence the over-centralized state structures are the main obstacle to the DS developments. This failure has increased the Core–Periphery Divide from the NMS side (Ondarza, 2013) and its negative effect has also determined the poor implementation the DS project to a great extent. All in all, although the Danube Strategy is a very important issue for these countries in a historical perspective, but at present it is not high on the agenda of the NMS governments, so right now they are not really bridging East and West in DS.3

Nevertheless, under the pressure of globalization the long-term tendency of regionalization has appeared as the “globalization cum regionalization” and several levels of regionalization – global mega-regions and transnational macro-regions - have been organized. In this new situation of the running globalization when the conventional wisdom loses its explanatory power, then a new analytical design has to be elaborated. The new conceptual framework is the “new regionalism” as a recent institutional innovation in the EU focusing on the strategically designed region-building. Thus, the functional macro-regions (FMRs) are the new versions of integration on a territorial base. Regionalisation in general stems from the simple fact that the member states geographically close to each other share common history, common values and common interests in a large variety of issues. The global mega-regions as well as the EU macro-regions can be described as large geographical–geopolitical units, but they are not necessarily functional units, since they have not been intensively connected through the “strategically designed” network of policies. They hardly form real „working” units because they have not become interdependent through the common functions of their own coordinated socio-economic development policies. Of course, the macro-regions have their own traditional contacts and forms of cooperation. But these contacts usually
are not intensive enough, and they have not been planned and regulated to form a “socially constructed” functional macro-region. Given the fact that this constructivist approach of new regionalism pays special attention to the processes how regions are strategically designed, organized and consolidated with the basic indicators or drivers of good governance and social progress, therefore, the key word for the new analytical design is the Strategy.

The FMRs as strategically designed macro-regions have provided an “escape road” from the rigid macro-regionalization for the EU. The functional macro-regions are the best ways of bridging the already given macro-regions into the new regional structures in order to facilitate the rebuilding the European architecture according to the MLG principle as well as the implementation of the EU2020 Strategy according to the MDG principle. With the FMRs, the member states or their provinces concerned share many common resources and demonstrate considerable interdependence, in the spirit of integrative balancing between smaller and bigger states. The EUSBSR has rightly claimed to provide the model for the other functional macro-regions, and the Danube Strategy has followed suit. The strength of the EUSBSR is that it has been built on the existing intensive cooperation schemes that have worked well, but it has developed them further by a comprehensive strategic project. Also, the DS may play one of the pioneering roles in this process, since its comparative advantage is in building the New Europe in such a way that it integrates parts of three macro-regions into one historically re-emerging, organic functional macro-region. Two new FMRs, the Adriatic and Ionian Region and the Alpine Region have recently been emerging, and some other functional macro-regions are also in the making (EC, 2014d). As a result, the EU is turning to a network of the FMRs, i.e. the EU as a whole is on the way of the functional macro-regionalization. After a decade or so, the EU may be covered by the - partly overlapping - FMRs.

The crucial issue for the bridging function of all FMRs is the governance capacity that has to be developed in both ways as the institutional consensus and the policy concertation as it has been formulated in the European Governance Initiative. It needs a closer scrutiny, since - although this required governance capacity has been missing to a great extent so far in the case of DS - this deficit has not yet been exposed enough by the EU when discussing the NMS countries. Otherwise, the demand for the institutional capacity-building is an old story for the EU. Interestingly enough, the EU promotion of (good) governance as a strategic program appeared much more forcefully for the developing countries as part of facilitating their economic development. After the White Paper on Governance (2001) the European Commission launched the Governance Initiative in 2003 for developing countries under the title of “Governance and development” and later in 2006 as the “Governance in the consensus on development”. This Act of 2006 has specified properly that “The Commission underlines the importance
of approaching governance from a wider angle, taking into account all its dimensions (political, economic, environmental and social).” (EC, 2006:1). Accordingly, the General Affairs and External Relations Council published in 2006 a decision on democratic governance as a “European Consensus for the Development” (Council, 2006). Finally, the Governance Initiative was overviewed by the Council in 2009 in its entirety and the principle of the multidimensional governance structures (MDG) was emphasized: “The Council acknowledges the multidimensional nature of governance, which includes political, social, economic, security, legal, institutional, cultural and environmental aspects, at all levels. All these aspects are interlinked and should be addressed in a holistic and balanced way.” (Council of the European Union, 2009: 1). This statement has added the Synergy as the key term for the FMRs because the multidimensional nature of governance presupposes the coordination-integration of all policy fields to have their added value, i.e. their synergy due to the harmonisation of the policies involved.

The NMS countries at the accession were supposed to be stable democracies with good governance, therefore originally the European Governance Initiative was not meant for them. It has still conceptually prepared the virtual institutional and policy synergy for the FMRs, including the DS, in both vertical and horizontal institutional terms (MLG) and in its high complexity of the policy dimensions (MDG). Yet, in spite of strong warnings in the basic EU documents themselves, direct and strong efforts for developing governance capacity in the FMRs were not on the EU agenda for a long time. It has been indicated that the FMRs have “to cope with a lack of state and civil society capacity, administrative centralisation and the personification of resources at the regional level” (CoR, 2009: 7), but the EU has avoided the detailed criticism and any strong pressure of its improvement to this direction. The European Commission has emphasized several times in the DS Progress Reports the “governance deficit” in the NMS. It has noted that “there is a need to improve the institutional capacity at all levels” (EC, 2013: 2), but in vain, without concluding that some strong and urgent measures have to be taken. The organization process of the emerging FMRs should have gone parallel with the efforts of regulating the (good) governance that would result in the well-developed MLG-MDG structures in order to remove the fossilised state structures in NMS. The EU pressure would have also been necessary to overcome the resistance of over-centralising governments with their outdated national traditions of the low institutional capacity. This effort for capacity building cannot be observed in DS where the partnership for progress as a new model of governance with a proper EU “metagovernance” from above is still missing, or hopefully, after many failures, just now emerging.

No doubt that the governance deficit has been one of the main reasons for the underperformance of NMS in the Danube Strategy but the EU has raised this issue only recently, with a long delay. The basic organizing principle of FMRs is that “history matters
and regions matter”, but this can only be true if the good governance and the corresponding strict regulation also matters. The main weakness of DS is the poor governance with missing institutional and policy synergy of its all related dimensions. As a result, DS has not been a Strategy so far, just a low intensity cooperation project. New and again, one has to emphasize that the functional macro-region has been based on a coherent Strategy, i.e. it is a \textit{macro-region by strategic design} and not a region with the traditional, routine-type slow and sluggish institutional and policy cooperation. Thus, it is, indeed, legitimate to raise the issue whether the DS has supported socio-economic development and promoted EU integration in the NMS so far. This leads us to the roller coaster-type historical trajectory of DS in the fourth year of its lifetime.

\textit{The historical trajectory of Danube Strategy: the roller-coaster ride}

The DS history has been moving in shorter and longer cycles. First of all, it is clear that after the easy start the DS has faced increasing difficulties in the implementation phase. The historical trajectory of DS may only be understood against the background of the controversial effects of the deep-freezing global crisis management versus the facilitating opportunities of EU Governance Initiative. In 2009-2010 in an optimistic mood the social innovations’ effect dominated, but very soon the financial global crisis reached the EU countries and turned to economic, political and social crisis, and its deep-freezing effect has become dominant. The new development paradigm (MDG) and the MLG principle were elaborated parallel with the uploading process of DS in 2009-2010, so it is not by chance that the DS reflects both the values of the EU2020 strategy and the spirit of MLG, even in its wording. The close connection between these two – MDG and MLG – EU megaprojects has been assured even by the scoreboards on Multilevel Governance, focusing on the EU2020 Strategy within the time perspective of the EU cohesion policy in its Multiannual Financial Frameworks, first between 2006 and 2013, and later between 2014 and 2020.

The historical trajectory of DS runs between the most important documents of the Founding Paper of the Commission (EC, 2010) and the FMR Governance Paper of the Commission (EC, 2014c). In the first document, following the EUSBSR model, the European Commission outlined the structure of DS and formulated its mission statement in December 2010. Then the General Affairs Council supported the project in April 2011 and finally the European Council endorsed it in June 2011. The basic structure of DS has been designed by this Founding Paper of the Commission (accompanied by a long Action Plan) giving the “Charter of the Danube Strategy”. This Founding Paper has outlined the vertical and horizontal structure of the new DS institutions, has described its new rules and it has given a list of the common policies, according to the MLG-MDG model. It has
emphasized that “Europe 2020 is the key EU commitment to jobs and smart, sustainable, inclusive growth, which the Strategy will consolidate. (...) The Strategy, with its vision for the Danube Region in 2020, reinforces this.” (EC, 2010: 12).

The four pillars of DS are (1) Connecting the Danube Region and (2) Protecting the environment, (3) “Building prosperity in the Danube Region” and (4) “Strengthening the Danube Region”. The first three pillars reflect directly the spirit of the EU2020 Strategy, and the fourth pillar represents the MLG philosophy by focusing on the institution-building. However, as a built-in contradiction, the main structuring principle is that the first two pillars belong to the “low politics” (or soft policies) and the second two to the “high politics” (or hard policies), as to the concern of the “technicalities” with relatively easy progress versus the national sovereignty issues with rather difficult progress. The policy fields of these four pillars were grouped in the Priority Areas (PAs), and their management was allocated later among the participating countries.

This vertical and horizontal institutional structure corresponded completely to the MLG principle. The governance structure had three levels: (1) the High Level Group of All Member States (coordinated by the European Commission, and the non-member states should be invited as appropriate), (2) the Priority Area Coordinators (PACs), two countries for each policy field, and (3) the National Contact Points (NCPs). The Commission was supposed to assist to these institutions, to organize Annual Forums and to submit Progress Reports. The Annual Forums have been in Regensburg in 2012, Bucharest in 2013 and in Vienna in 2014 (see recently Annual Forum of Danube Strategy, 2014a). Surprisingly however this Founding Paper as the DS Charter has concluded with the drastic statement: “No new EU funds, no new EU legislation, no new EU Structures.” (EC, 2010: 12). In this controversial situation after describing the new institutions and their new rules, the ill-famed statement of the “three No-s” demands a special explanation.

The simplest explanation is that there was no new funding available in the budgeting period of 2006-2013, and the Commission issued a drastic statement in order to prevent the tough competition for new resources and/or to avoid resistance of the non-concerned member states. But it was still a very controversial statement, since it followed the vertical and horizontal design of the new institutional structure for DS in the Commission document. This document indicated clearly that the pan-European institutions with their common EU rules for all member states were not concerned by DS, even the Commission made a control mechanism of all member states over DS by the High Level Commission (if needed). Basically, it was some kind of “politicking” on the part of Commission as tactics versus strategy, sacrificing the long-term goals for the short-term pre-emptive conflict management. Nonetheless, this statement has created a long-term confusion, since instead of addressing “in a holistic and balanced way” to the
countries concerned, the Commission insisted on three “No-s”, including “no new institution”, although it has been created. This ill-famed formulation of the three “No-s” has been widely discussed, but it has still remained embarrassing and disturbing, although some governments have tried to interpret it as “three soft Yes”. Anyway, this deep confusion has contributed to the governance gap in NMS by contradicting to the EU Governance Initiative. In the last analysis, it has been counterproductive, since it has created misunderstandings and disturbed the institution-building in the DS “governance” that could have been the key to the success, sustainability and synergy of DS.

The series of interim reports of the Commission on DS have indicated serious problems that have been summarized by the 2014 Progress Report (EC, 2014c). Of course, all these problems could have emerged without the controversial statement of the Commission, but no surprise that these problems have been strongly connected with the missing DS governance capacity in both MLG-MDG lines. Finally, in May 2014 the Commission issued its major evaluation on the governance of the macro-regional strategies, since in October 2013 the Council “invited” the Commission to prepare a report to facilitate discussions to improve governance of macro-regional strategies. In this “final” Report the governance deficit has been mentioned in general, but it has been meant for the DS in particular, since the EUSBSR has worked rather well, and the two new FMRs have not yet provided enough experience for this criticism. Actually, this Report has offered an overview mostly on DS and it has demanded significant improvements at all the three levels of its institutional architecture.

The deficiencies in the DS implementation have been caused basically because of the backsliding of democracy in some NMS countries like Hungary, Romania and Slovakia that have been pioneering in the negative tendency of diverging from the EU mainstream developments, particularly in the case of the MLG-MDG principles. The bad governance in policy cooperation and coordination in the implementation of the Danube Strategy has just been the result of the much deeper political failures of the declining democracy with its systemic features. The damage done to the EU by this decline has gone much beyond the DS issue and it has necessitated a reaction by the Commission as the launching of the Rule of Law Initiative. The European Commission acting as “the Guardian of Treaties” has established a New Framework to strengthen the Rule of Law in the EU, since the “recent events in some Member States demonstrated that a lack of respect for the rule of law and, as a consequence, also for the fundamental values which the rule of law aims to protect, can become a matter of serious concern. (...) there is a systemic threat to the rule of law and, hence, to the functioning of the EU”. Whereas the infringement procedures are triggered “by individual breaches of fundamental rights”, the New Framework has been designed to address “threats to the rule of law (...) of a systemic nature” (EC, 2014b:2,5,7). The decision of the Commission has insisted on the fact that
not only the purely formal and procedural requirements, but also the “substantive components” of the EU regulations have to be met. These terms indicate that nowadays there is already a new thinking in the EU, in which systemic means strategic, with a holistic approach to the member states’ developments. It remains to be seen whether its implication would lead to the lessening of the Core-Periphery Divide and to a new start of Democratization and Europeanization process in NMS that would be necessary for the re-launching the Danube Strategy.

Actually, the global crisis has slowed down the implementation of DS in the early 2010s in all the three territorial composing parts, including the most developed regions in the West, since the most developed regions in DS could not escape the problems of global crisis management either. However, more importantly the pre-accession process of the West-Balkan countries has been marginalized in the EU due to the enlargement fatigue. Although the West Balkan states have recently received some positive messages from the EU, first of all in the case of Serbia, the political and economic situation in these states has also deteriorated that has faded the perspectives of accession through the DS integration. Yet, the painful damaging effects of the global crisis on the countries concerned have not been the only cause of the downward turn in the DS implementation process. The NMS countries had a big governance deficit already at the very beginning that has been increased tragically by the global crisis. Altogether, in NMS the global crisis has resulted in weak democracies with more administrative and political concentration in the state, in fragile and fragmented civil societies, and in the declining competitiveness with emerging joint political-economic oligarchies.4

Actually, the DS top-down phase was in the early 2010 when the Commission organized “stakeholder conferences” at the government level in the countries concerned starting in Ulm, followed by the Vienna/Bratislava, Budapest, Ruse/Giurgiu and ended up by the Constanta conferences. The bottom-up phase after the top-down phase has not been working because the civil society is weak in NMS, and they have no sufficient organizational capacity and funding in most participant territories. Therefore, the top-down phase has not been really followed by the bottom-up phase of implementation. The push for activating the local organizations has proved to be unsatisfactory in general and it has been diminished or even stopped by the over-centralized governments due to the lack of funds in particular. But in the last analysis the failure of the bottom-up phase has also been due to the missing permanent metagovernance at the EU level, since the available funds for the less developed territories in the EU have not been properly integrated with the DS efforts.5

Thus, the macro-regional fervour may be continued elsewhere, but the Danube boom has come to an end. The continued Danube fatigue can be seen first of all in the declaration of MFA ministers at the Vienna Annual Forum on 26 June 2014. They have
reacted to the criticism of the Commission 2014 Report in very soft terms, since after the present Danube fatigue their demand for “further progress” has been indicated in a rather byzantine style: “Ministers agreed that it will be crucial in the next phase to make further progress in focusing on co-operation on policy issues of special importance ensuring efficient and effective coordination with other relevant policies, programmes and instruments.” (Annual Forum, 2014b: 1). The only hope is that the Fourth Annual Forum has been convened in Ulm, since Baden-Württemberg has been very active in initiating, suggesting and implementing the Danube Strategy from the very beginning.

The "infantile disease" of the Danube Strategy in its policies and institutions

The governance deficit can be described in DS through the controversial relationship of the institutional and policy memberships according to the twin MLG-MDG principle. In general, the increasing divergence process between East and West, unleashed by the global crisis, has appeared both in its “deepening” and “widening” aspects of the institutional and policy memberships. In the bottom-up model of the usual policy development the policy membership is the point of the departure and the institutional membership is the end of the process with the regulation of the policy fields concerned. This policy development in the EU goes through the stages of cooperation-coordination-integration, in which finally the integration would presuppose an institutionalization with complete regulation but it has not taken place so far in NMS. On the other side, in the top-down model the institutionalization is given as a theoretical construct forced upon from above, therefore it has to face an empirical test of the proper policy cooperation and coordination already in its institutionalized form that has also been a failure in NMS. The Danube Strategy has created an institutional framework that has to be filled and completed by several policies coordinated in such a way that they could produce Synergy but the controversial development of the institutional and policy memberships has prevented its success.

All the deficiencies of the DS implementation process go back to the missing application of the MLG and MDG principles in the actual Danube cooperation that has left its negative impact on the Strategy from both the policy and institutional sides. The structure of policy and institutional memberships that resulted from the politicking of Commission has also largely contributed to these deficiencies. The large variety of policy fields covered by DS has been impressive, since it has been quite a challenge to manage and to coordinate. These deficiencies can be detected through the analysis of the latest evaluation reports in the DS priority areas (PAs), since the actual work of DS has been structured in the 12 committees of the priority areas (PACs, with 1a and 1b). The list of Priority Areas (PAs) is the following: 1. To improve mobility and connectivity (1a. Inland
waterways and 1b. Rail, road and air); 2. To encourage more sustainable energy; 3. To promote culture and tourism, people to people contacts; 4. To restore and maintain the quality of waters; 5. To manage environmental risks; 6. To preserve biodiversity; 7. To develop the knowledge society; 8. To support the competitiveness of enterprises; 9. To invest people and skills; 10. To step up institutional capacity and cooperation; and 11. To work together to tackle security and organised crime.

The individual policy fields above has been fragmented and/or departmentalized with some separate management structures but without a common complexity management. Thus, this oversized and fragmented overall structure as “systemic misfit” has invited the failure, i.e. at most only some elementary cooperation can be reached at an uneven level for the megaproject as a whole, without a real coordination within the Danube Strategy as a system, forget about the level of the integration and strategy. DS was meant and planned for the hyper-connected world with a high complexity policy universe but it has resulted in the complexity reduction to the fragmented policy fields (departmentalization) due to the lack of complexity management as a systemic failure of the DS and/or Commission metagovernance. These PAs are supposed to be sub-divisions of the DS four pillars but, in fact, there are not, since they are the results of the Commission plans to reach political and policy compromises among the states concerned.

The structure is supposed to reflect the DS four pillars, but it without their real substance, since they reflect much more a big contrast between the “soft” and “hard” policy areas of DS. On one side, the progress reports from the “soft” areas (PA1 – PA6) are usually very long and indicate some success year by year, but on the other side, the progress reports from the “hard” areas (PA7-11) are rather short and they indicate much less success. The soft areas are less conflictual, whereas the hard areas are much more conflictual due to the high politics of national sovereignty and to the lack of the tradition and trust in cooperation, so the hard areas are indeed mostly in the “first steps” stage. Hence they show some success only in the traditional fields of international cooperation with technicalities (e.g. PA11 – security, transnational border control of migration and crime). These PA reports offer an incoherent and unsatisfactory picture about the DS cooperation, since the reports on the hard policy areas often just give a list of the events in the DS states concerned instead of reporting about the dynamic networks of regional policy coordination.  

However, this contrast between the soft and hard policies has appeared not only in the PAs’ dual structure but also to some extent within the soft policies themselves. Water management is on one side a very important global issue and it is also a worldwide movement (see the issue of “Water Commons” in general and e.g. the World Water Week in Stockholm, 6 September 2013 in particular). On the other side within the DS, it is only one of many aspects that offer an excuse for some countries – first of all for
Hungary – not to deal with the entire Strategy, but to have some kind of “cherry picking” from among the policy memberships in DS. In addition, there is a very controversial issue even within the soft policies, namely the conflict between the two basic aspects, the water management in the narrow sense as the drinking water and irrigation water, and in its wider sense when it is combined with the connectivity or shipping for promoting international trade. These two aspects of the water management collide, as the conflict between keeping the water bases intact on one side and the deepening the Danube by building dams for shipping in order to foster commerce by the high tech in shipbuilding on the other. This controversy has led to constant conflicts, some kind of a “war” between environmentalists and “shippers”. The latest conflict is the Dam-building project at Vienna-Bratislava that would elevate the Danube water level to ten meters high in order to enable large cargo ships to pass through these difficult river sections during the periods of low water levels (Euractiv, 2014 with the CEE bankwatch network, 2014).

Thus, the main problem from the policy side is that this list is too ambitious and unbalanced. It is too ambitious because it contains many policy fields in which there has been a routine cooperation on one hand as well as many other new policy fields in which the cooperation has just began on the other. It is unbalanced, since some policy fields are very important – even considering their share in the GDP –, some others are marginal, including their financing. Therefore, in some fields there are massive interest groups with very strong international and domestic business interests, but in some other fields the business interests are minimal and the interest groups concerned are very weak. Finally, connecting so many policy fields collected into a megaproject is a big achievement, but it would both demand transformation management to build up the system and also a complexity management to coordinate all policy fields at least at a minimal level. Instead, there has been no idea and no measure how to build up the system. The depth of policy convergence process (from intensive cooperation through well managed coordination to the increasing institutional integration) has been downgraded in many policy fields to routine cooperation or at most to some DS related coordination.

From policy side all participants are supposed to take part in all policies but they usually have had no interest in some policies or have developed diverging interests, so the ownership in many policies is missing. Moreover, the crisis has shaken many policy fields with drastic budget reduction and the crisis driven consequences as having a breakthrough from the crisis with investments on certain policy fields have not yet fully reached the Danube Strategy as a whole. Therefore, the DS has been moving in cycles, in longer international cycle of the global crisis management and in shorter national cycles of domestic crisis management. Their controversial effect can be clearly seen in
the case of the deep and protracted crisis of Slovenia, but it can also be detected in the Romanian and Hungarian cases as well.

As to the institutional memberships, the list of participants responsible for the above described PAs in the following: 1a. Austria and Romania; 1b. Slovenia and Serbia; 2. Hungary and Czech Republic; 3. Bulgaria and Romania; 4. Hungary and Slovakia; 5. Hungary and Romania; 6. Germany (Bavaria) and Croatia; 7. Slovakia and Serbia; 8. Germany (Baden-Württemberg); 9. Austria and Moldova; 10. Austria (Vienna) and Slovenia; 11. Germany and Bulgaria. Of course, the Commission has been “fair” giving three policy fields to each participating actor, and by the “twinning” of two actors supervising each field. However, the fate of all these fields has been decided, beyond the particular nature of the given policy field as discussed above, by the selection of these supervising or coordinating actors. Hence there have been various institutional memberships on different policy fields, some actors have been very active in organizing on their policy fields and some other has been much less so. Many smaller and weaker participants have not been able to manage this role, having no organizational capacity and sufficient budgeting. In such a way the “fair” distribution of policy fields among the participating actors has produced a nice disorder from the institutional side in the DS system with active or passive institutional memberships, in a rather chaotic combination of the relevant or less important policy fields. Moreover, beyond their supervisory functions many DS participants have entered other related organizations with much deeper interest or more intensive ownership than the roles assigned to them by the Commission like e.g. the case of the Carpathian Convention and the Centrope interregional organization that has created an even more complicated situation in the DS institutional memberships.8

From the institutional side the participants have developed many conflicts and controversies that can be best detected in the PA10 group on institutional capacity. Above all, the PA10 group has benefited very much from the activity of Austria, the most DS-enthusiast country. Although the general statement of their 2013 progress report is very much exaggerated – “Since June 2012 the development of Priority Area 10 ‘to step up institutional capacity and cooperation’ has been substantial and a number of milestones have been achieved.” – the Austrian efforts still deserve much appreciation. Nonetheless, this report indicates that the regional cooperation started from the basics, since the first task was to enlist the 71 already existing DS-related projects, so the “PA focused in the first period on the identification of projects”. The second task was to provide them with “technicalities” to work properly because “in the implementation stage of most projects has not evolved much”. For the real start, the project needed two pilot projects – Danube Financing Dialogue and Technical Assistance Facility for Danube Region Projects -, therefore the “PAC has prepared a Europe-wide tender procedure for
the selection of consultant services” with “limited but concrete steps of actions”. It is also characteristic at this elementary level of the EU project organization that the attendance of 12 countries out of 14 at one meeting is considered “very high”, and at the other meeting the attendance of 10 countries out of 14 as “solid”. Their conclusion is that “some members take a rather passive role while others are very active”, although the main challenge for the DS countries is “low absorption of EU funds” (EUSDR Reports, PA10, 2013: 3-5,7,14).

Altogether, as the PA10 report summarizes, the main issue is “the lack of ownership of the strategy at national and regional level. This is characterised in different ways: limited participation in meetings, limited or absence of feedback to documents and/or requests for information, limited capacity to provide an official position in meetings, members’ turnover. These aspects have been more or less acute, and some countries are less hindered than others.” (EUSDR Reports, PA10, 2013: 10). The PA10 Report finally hopes for “a new strategic direction” in the next multiannual financial framework (2014-2020). In fact, the major reform of the DS has been connected with the activities of the PA10 group that has developed some centrality with the overall organizing function for the entire DS. In the latest documents (EUSDR Reports, PA10, 2014 and the EUSDR Newsletter, Spring-Summer 2014) there are some outlines for the re-launching of DS both in institutions and funding, but it remains to be seen how this new opening will be elaborated and implemented. Altogether, from the policy as well as institutional side there has been so far a lack of ownership, and even where “leadership” to initiate changes appeared, “followship” has been missing to follow the good practice and to have a strong interest in policies and institution-building. For sure, the lack of leadership has been felt at the DS level, so based on the levels of cooperation and coordination the Strategy as a holistic approach is missing, although Austria through the PA10 has recently tried to fill the gap.

The NMS countries have significantly underperformed in DS in these three years and the lack of ownership on their side has been rather manifested. The DS usually does not figure in the important government documents, or even it does not appear at all in the official discourse. No well-coordinated and planned comprehensive national project exists, just usually some fake references to some events – for instance workshops on some special issues - at the government level to avoid the blame of not participating in DS. Without a vigorous push and substantial funding for local organizations, only some small, isolated projects use the reference to DS but without a meaningful content. Therefore there is no significant pressure from below as bottom-up movements either, only some sporadic, isolated and “traditional” efforts in some policy fields (tourism, navigation, cultural exchange). In fact, some NMS governments concerned have confronted with the rules of DS in its very heart, both at its governance capacity and at
the social progress type of development. No structural political and policy reforms can be noticed in the NMS countries so far, just the opposite, under the pressure of global crisis the NMS governments have turned to the more over-concentrated state models, using and abusing the global crisis for consolidating their over-centralized powers. Consequently, in the present period of EU transformation crisis the medical check of the NMS can identify both the institutional deficit leading to governance deficit and the social progress deficit leading to sustainability (resilience) deficit. The NMS political elites want to have the advantages of EU membership, but they are not ready to pay the political price (decentralization) for it, and they are unable to pay the social price (human investment and social capital) for it either, since the NMS governments during the global crisis have drastically decreased the resources for the knowledge triangle, in such a way “undercutting the future” (Veugelers, 2014), although only the social progress as the common denominator for the Danube Strategy can create synergy of all policy fields.

Thus, stalemate has been produced with the usual routine, i.e. the DS activities have been reduced to the level of everyday cooperation instead of synergies in the system as a whole. Danube Strategy cannot be a business as usual type of project with many small steps because it is supposed to be a visionary megaproject with a long-term Strategy. So far, in the fourth year of its lifetime it has only been a modest Danube Valley cooperation project.

Conclusions: From the Old Dream of Danube Federation to the Danube Strategy

The main argument of this paper that the Competitive EU and the Cohesive EU have to be reconciled in the Competitive-Cohesive EU, since the EU cannot remain competitive “externally” for a long run without being cohesive and inclusive enough “internally”, in order to re-unite the EU28 after the global crisis. In his Farewell Address Barroso has argued that nowadays “the Union’s overall coherence” is the most important issue: “Now, frictions between North and South, between rich and poor, between debtor and creditor countries, between the centre and the periphery have indeed come up. (…) Playing whatever Kerneuropa against whatever periphery will weaken both.” (Barroso, 2014: 3,14).

No doubt that the NMS region has its own special transformation crisis and its fate is crucial also for Europe’s future as a Competitive-Cohesive Europe with sustainable economy, society and democracy at the Danube. The Divided Europe will be condemned to the systemic riots with the deep Euroscepticism, anti-democratic responses and prolonged crisis in the Periphery. The future vision of the EU28 is the move the Growthmania to Sustania in the EU2020 perspective, and at the Danube it is much more so. The DS is meant to be one of the major vehicles for re-uniting the EU28 within a Competitive-Cohesive Europe, since it embodies the need for the change from the narrow
focus of saving the Eurozone to the Re-United Europe as a new development in the spirit of integrative balancing.

As Stefanie Dühr has predicted: “In any case, the current enthusiasm for EU macro-regional strategies does not necessarily mean that this is a suitable instrument for all parts of Europe. The rationale for transnational cooperation is crucial for the strategy-building process and to ensure long-lasting commitment of cooperation partners. After all, macro-regional cooperation is complex and time consuming” (Dühr, 2011:48). The most developed parts of DS at the Upper Danube have to initiate these changes and act as icebreakers; the NMS have to prepare the means of transformation management and facilitating devices for the “bridge” between the Upper and Lower Danube; and the West Balkan and East European states at the Lower Danube have to elaborate the “connectivity” not only in logistics, but also socially, culturally and politically. In some ways, the DS as a Sleeping Beauty has to build up its own “pooled sovereignty” as well as its “pooled solidarity”. Otherwise, DS as a Strategy may fail as a functional macro-region by design, although it can succeed in the everyday “boring” practice, although this practice can be very good and welcome, but the DS is in fact a big vision for a long-term strategy. Thus, the DS as an Old Dream from the 19th century may be delayed until the 22nd century.

In the EU28 neither the member states, nor the subnational meso-regions (NUTS2) but the functional macro-regions as “missing links” between the EU level and member state levels can offer a new, innovative principle for the European architecture and for the EU2020 Strategy, since the new macro-regional strategies with the renewed cohesion policy may bring the breakthrough towards “the Europe of the Macro-Regions” as part of genuine European Futures.

References


Council of Ministers (2011) *Territorial Agenda of the European Union 2020: Towards an Inclusive, Smart and Sustainable Europe of Diverse Regions*, agreed at the Informal Ministerial Meeting of Ministers responsible for Spatial Planning and Territorial Development on 19th May 2011, Gödöllő, Hungary


Demos (2013) Backsliders: Measuring democracy in the EU, [http://www.demos.co.uk/publications/backsliders](http://www.demos.co.uk/publications/backsliders)


EC, European Commission (2014b) European Commission presents a framework to safeguard the rule of law in the European Union, Strasbourg, 11 March 2014 (IP/14/237)


EUSDR Reports PA10 (2014) http://www.danube-region.eu/about/priorities


Notes:

1 This paper continues my analysis of DS in the edited volumes (Ágh, Kaiser and Koller, 2010,2011). I have dealt with the issue of “globalization cum regionalization” in the EU in my former papers (Ágh, 2010,2012) at length. Our Hungarian research team completed the four year project by the early 2014 on the MLG-MDG issue (see Ágh, Kaiser and Koller, 2014). For the socio-economic data on the DS territory see Dobrinsky, 2012.

2 Beyond the three Western participants – the two German provinces and Austria – and to two Eastern participants – Moldova and the Western province of Ukraine -, most participants are NMS countries, including the pre-accession state of Serbia as virtual NMS country. Therefore, the NMS countries are the “central” participants, both in territory and socially, and given their “centrality”, I analyse the DS in this paper first of all in the NMS perspective. The NMS concerned are indeed “bridging” East and West in DS and this paper discusses their bridging role.

3 In fact, no NMS country has developed proper NUTS-2 level institutions, and the former MLG structures have been weakened by the global crisis. MLG has been destroyed in Hungary by the Orbán government by dissolving all NUTS-2 level organizations (see the Act on territorial development, Act CXCVIII of 2011 on 23 December 2011 in Hungary).

4 The clear case of this controversial development is Hungary. In the first half of 2011, during its EU Presidency Hungary was very active in promoting the Danube Strategy but later the Orbán government has lost any interest in it. The DS has been
managed by the Office of the Government Commissioner in MFA with an official website [http://dunaregiostrategia.kormany.hu/](http://dunaregiostrategia.kormany.hu/), but it is almost empty. Basically it contains documents from the 2010 and 2012 period. Reporting about the recent DS activity is poor (3 events in 2014 so far, no reference to the June Vienna conference even in August 2014).

5 No doubt that there are strong and weak subnational units in the EU in general (Callanan and Tatham, 2014: 188-189), but in the NMS there are no such strong subnational units or actors, which have been able to represent their interests or views at the EU level, since their subnational units have even been weakened in the last years.

6 The structure of the soft areas reflects also that of organized interests, or even the business interests. Actually, in this framework the PA3 (“the Danube brand of tourism”) and PA6 (biodiversity) reports are short and less successful, but they have been rather artificially separated from the other areas to emphasize the “business profile”.

7 See the Water Summit 2013, Budapest, with the participation of Ba Ki-moon, UN Secretary General, Catherine Ashton, High Representative of the EU and Benito Braga, President of the World Water Council with 1400 registered participants from 104 UN member states on 8-11 October 2013. The Summit has published a Statement with the title of „A Sustainable World is a Water-Secure World“ (Water Summit 2013, Budapest Statement, 11 October 2013). See also the Water European Citizens’ Initiative (2013) with “Water as basic human right” and “Water campaign” (2013).

8 The Carpathian Convention was organized on 22 May 2003 as a sub-regional treaty to promote sustainable development in the region by seven states – Czech Republic, Hungary, Poland, Romania, Serbia, Slovakia and Ukraine – with an Interim Secretariat in Vienna. After the establishment of DS it has continued its activity within this Strategy in cooperation with the CoR focusing on environment protection and spatial development (CC, 2013). Centrope (2013) is also an Austrian developed, Vienna-based organization for the parts of the neighbouring countries.