4. Small States and Regions: Evolving Strategies in EU Politics

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Introduction

The EU is comprised of a fabric of states and peoples with diverse perspectives and interests. Through its supranational architecture, it has attempted to move beyond the traditional construct of the nation state and to offer a path for European countries based on ever greater political and economic cooperation for mutual benefit. In that regard, EU membership affords the opportunity for smaller European states to have more influence than might otherwise be the case on a range of transnational affairs. The EU has also led to the establishment of a European policy level in which sub-state polities (regions) can strive to engage in its policy-making. In these unpredictable times for Europe, the relationships between member states are an important part of the EU's future. The extent to which smaller EU members are able to maintain influence and feel to be equal partners in the European project will prove an essential dimension of the Union's outlook.

Given their larger economies, populations and global weight, bigger EU member states are generally considered to have greater power and influence in the EU's functioning than smaller ones. Nevertheless, the EU's membership (European Commission 2019b) consists predominantly of small states – nearly two-thirds of EU countries have populations of around 10 million or less (Eurostat 2018). These small EU member states are far from a homogenous bloc – they have different politics, economics and histories. However, certain features can be identified in the strategies of these states concerning EU politics and policy-making, flowing from their size, the resulting limits on their resources and the impetus for initiative and ingenuity.

The EU's member states are themselves comprised of regions of differing size, powers and competence. One of the EU's constitutive principles is that of subsidiarity (European Parliament 2018), the notion that decisions should be taken as close to the citizen as possible – not just between the EU and member states, but between the EU and regional and local government. While the EU does have a dedicated formal institution consisting of sub-state representatives, the Committee of the Regions (2019), most of the substantive work of regions on EU engagement takes place elsewhere. These regions operate within various domestic political systems, ranging from constitutionalised federalism to state centralisation. Nevertheless, lessons can be discerned from how regions of member states conduct their EU policy engagement, as they balance representation at the EU level in Brussels and at the national level in their state capital.

Scotland has been in the EU for over 45 years as a constituent part of the UK. It has a pro-European government, with national politics and public opinion largely favourable towards the EU. Many of the powers of Scotland’s devolved institutions are related in some form to EU law and EU policies (Scottish parliament 2019). While Scotland is not an independent state and is ostensibly on course to leave the EU through Brexit, it will be affected by the EU directly and indirectly regardless of its constitutional status. As Scotland contemplates its
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approach to EU engagement in the face of its current realities, it can take some inspiration from the EU strategies of small member states and regions within member states.

This chapter will explore three aspects of small state and region strategies in EU politics: the formation of new alliances among states in the EU Council of Ministers, focusing on the new Hanseatic league; the EU bilateral relations of Ireland, as a small state; and the Europeanisation of politics and policy of Berlin, as a region of a member state. It will then outline three recommendations from these cases for Scotland’s EU engagement: citizens’ dialogues on the EU; audits of European bilateral relations; and an EU-informed government culture. By implementing these recommendations, Scotland can translate some of the experiences of small states and regions into actions to enhance its EU engagement and policy.

Strategies of Small States and Regions in EU Politics

Formation of Alliances: The New Hanseatic League

In EU policy-making, member states form various alliances to achieve their objectives in the EU Council of Ministers (2018). As co-legislator of the Union, the Council has a role in deciding virtually all EU legislation. For small states in particular, these alliances can give them greater prospect to have influence. While alliances shift, depending on the policy area, political leadership, and national interests and priorities, major changes within the Union can also have an impact on their composition. The UK’s signalled departure from the EU, regardless of whether Brexit actually happens, has already altered the member states’ political configurations.

One notable recently established alliance is the ‘New Hanseatic league’ (Brunsden and Acton 2017), a grouping of the Netherlands, Ireland, the Nordic EU states (Denmark, Finland and Sweden) and Baltic states (Estonia, Latvia and Lithuania). Except for the Netherlands, its membership therefore consists of small states. Nordic-Baltic cooperation within in the EU is not new: the Nordic-Baltic Six (NB6) have met at head of government and foreign minister levels since the Baltics’ accession in 2004 (Latvian government 2017). Beyond the league’s Nordic-Baltic dimension, it represents an opportunity for the Netherlands to reposition itself within the politics of the eurozone and for Ireland to join an additional alliance which might prove important.

The Hanseatic league members are northern European states which share common perspectives on free trade, open competition and a more targeted EU budget. The group is focused for now on economic/financial affairs and the euro. Its first joint statement (Swedish government 2018) was made by the respective finance ministers in March 2018. This cooperation is based around the Economic and Financial Affairs Council (ECOFIN) and its remit covering economic policy, the internal market, the euro, the budget and taxation (EU Council 2019b). The Hanseatic league, or ‘Hansa’, is currently considered to be semi-formalised – it does not have a secretariat, but the group prepares joint papers and issues joint statements.

Taken together, the present league constitutes eight member states and approximately 11% of the population of the EU27 (EU Council 2019a). It cannot therefore raise a blocking minority in the EU Council on its own under qualified majority voting (EU Council 2017), which requires both at least four member states (which Hansa does satisfy) and a combined population greater than 35% of the EU population. Even with the inclusion of Germany, with which the Hanseatic league shares some economic priorities – especially contrasted with France, the
population total remains insufficient and rises only to around 30%. Nevertheless, the league with or without Germany is a sizeable grouping of member states numerically, considering that the EU Council traditionally prefers to operate on the basis of consensus and to avoid voting where possible.

Besides providing a vehicle for shared positions to be advanced as a bloc, the Hanseatic league also serves as a starting point for wider coalition-building among the member states. A recent example is the February 2019 letter (Finnish government 2019b) setting out priorities for internal market reform, organised by Finnish prime minister Juha Sipilä and sent to European Council president Donald Tusk for the March European Council. The letter was signed by 17 member states, featuring all eight Hanseatic league members and nine other small and medium-sized states. It was intended to set the tone for the European Council’s discussions and conclusions on the internal market (European Council 2019), which form part of the plan for its new strategic agenda for the next European institutional cycle.

The Hanseatic league remains a relatively new alliance and its success in influencing policy will become clearer over time. It is a refashioning of northern European alliances, with the capacity to reach out to other like-minded members. As an alliance on its own and in partnership with other states, Hansa has the aim and arguably the potential to counterbalance the Franco-German motor – primarily in respect of agenda-setting. One objective is to limit ‘fait accompli’ proposals from France and Germany on the internal market and the euro – this motivation was the impetus behind the March 2018 statement and the February 2019 letter, for instance. The Franco-German relationship is itself not fully harmonious at present, as the two countries’ governments hold differing views on the future of Europe. In time, the Hanseatic league could expand its remit beyond ECOFIN and into other domains. For the small states involved, such alliances can enable them to best ensure their interests in EU policy-making.

**EU Bilateral Relations: The Case of Ireland**

EU membership significantly changes the shape of relations between its member states. In addition to the integration of laws and economies, the work of the EU brings together politicians and officials from all levels, engaging not just ministries of foreign affairs but most other national government departments. At the same time, while bilateral relations between EU member states have remained important, they sometimes receive less investment due to competing demands on time and resource. The increasing fragmentation of the EU in recent years, not just on policy issues but on shared values, has however led to renewed investment in intra-EU bilateral contacts.

Ireland has been a member of the EU since 1973 and, with its population of 4.8 million (Eurostat 2018), is a smaller member state. As a member of the eurozone, Ireland is part of the core of the EU – it is not part of the Schengen area, but that is due to its relationship with the UK and its participation in the common travel area. It is known for its effective EU networking and strategy, and considered to be more influential than its size might imply. It has won praise for the management of its EU presidencies, including its most recent turns in 2004 and 2013. In response to the acute challenges the country faces from Brexit, and as part of its approach to external affairs generally, the Irish government launched a new strategy, ‘Global Ireland: Ireland’s Global Footprint to 2025’ (Irish government 2018c), in June 2018.

‘Global Ireland’ commits the government to enhancing its diplomatic relations within Europe and across the wider world. An important aspect of the strategy is its commitment to
maintain an Irish embassy in each EU member state. For small states, sustaining a diplomatic presence across all other EU members can be challenging in terms of the cumulative cost of real estate, operations and staff. Although the concentration of EU institutions and national representations in Brussels provides a leveraging opportunity to make up for deficits elsewhere, states must nevertheless develop their bilateral relations locally in order to maximise their influence in EU politics. These bilateral relationships are, to a large extent, long-term investments – diplomacy does not always yield short-term results, but the overall returns in political and economic terms over a longer time horizon can be significant.

The publication of ‘Global Ireland’ was preceded by work to better understand Ireland’s existing bilateral relations with EU member states – in particular, with Germany. These efforts were pioneered by the Irish embassy in Berlin, which embarked upon a detailed audit of Ireland’s presence in Germany. That report, ‘Ireland in Germany: A Wider and Deeper Footprint’ (Irish government 2018a), was published in April 2018 and evaluates Irish interests across all sixteen German states, making targeted recommendations to deepen the bilateral relationship based on its review. Its suggestion to open a new Irish consulate in Frankfurt in 2019 was taken on board and incorporated into the ‘Global Ireland’ strategy. Following from that example, a similar audit is now under way to map Ireland’s presence in France.

Since the completion of the ‘Ireland in Germany’ report, the Irish-German relationship has been developed through a sequence of bilateral engagements. In April 2018, German foreign minister Heiko Maas came to Dublin to jointly launch the report (Irish government 2018b) with Tánaiste and foreign minister Simon Coveney – considering that the report was only conducted by Ireland, Maas’s participation was a noteworthy gesture. Later, Coveney gave the keynote guest speech (Irish government 2019d) at the annual conference of German ambassadors in Berlin in August 2018, and Maas gave a speech (German government 2019) to a similar meeting of Irish diplomats in Dublin in January 2019. The two countries agreed a joint plan of action (Irish government 2018e) for their bilateral relations and EU cooperation, published in November 2018. This plan envisages more regular meetings of politicians and officials; cooperation on specific EU policies such as agriculture, energy and climate change; greater people-to-people connections among citizens in both countries; and work to promote the German language in Ireland.

These recent developments in the Irish-German relationship have their origins in the initial proactive efforts on the Irish side. While the exchanges which resulted in the joint plan of action were the product of both countries, Ireland has been successful in kick-starting the deepening of this key EU bilateral relationship. The case serves as an instructive example of what can be accomplished when a small state takes the initiative to achieve its objectives. For Ireland most of all, the Brexit process to date has been an unwelcome priority for much of its EU policy. Nevertheless, Ireland has secured strong support on Brexit from the EU’s other member states, including Germany, which have consequently become much better acquainted with Ireland’s priorities and challenges. Initiatives such as the ‘Ireland in Germany’ report and ‘Global Ireland’ strategy are intended as catalysts to convert that topical interest into enduring engagement. In that regard, Ireland’s priority is to sustain and deepen its bilateral relations with EU member states for the long term, founded on shared interests and mutual understanding.

**Europeanisation of Politics and Policy: The Case of Berlin**

Regions of member states are intrinsic parts of European integration. The EU’s work often involves areas for which regions have full or partial responsibility in their national context.
The shift of competence to the EU level can alter the dynamics of central state–region relations, sometimes resulting in domestic measures to ensure that regions have substantive input into the national position on such policies. Regions are also often responsible for transposing or implementing EU law locally. Consequently, EU regions must take an active interest in EU politics, and have to adequately balance their engagement at the European level in Brussels and at the national level in domestic structures.

Berlin is a city-state and one of the sixteen federal states of Germany. In that respect, while it hosts the German federal government, it also has its own political institutions as a federal state. With its population of 3.6 million (Destatis 2019), Berlin is middle-ranked among the German states. Under Germany’s federal system, Berlin has a qualified right to engage externally on areas which affect it directly, and it participates in the national second chamber, the Bundesrat or Federal Council (2019). Within the Berlin state government, the senate department for culture and Europe is responsible for EU policy and engagement. In Brussels, its Berlin liaison office to the EU has been in operation since 1989.

The institutional approach of the Berlin government to EU affairs is based on the philosophy of ‘Europa mitdenken’ – to encourage politicians and officials to always recognise and think about the European dimension, even where a matter does not appear at first sight to directly relate to the EU (Berlin government 2018). The objective is to Europeanise Berlin state politics, as a means to achieve better policy and policy outcomes. It promotes a culture of reflection linking Berlin’s policy with the practicalities of its EU engagement – including the implications of Berlin’s and Germany’s EU positions for a particular policy, the state of the relevant debate in Brussels and the opportunity for European networks and partnerships.

This strategic focus on Europeanisation is complemented by the work of the senate department and the EU liaison office. Ministerial and parliamentary visits from Berlin to Brussels are encouraged and arranged. Civil servants across all senate departments take part in regular EU orientation training. The process involves seminars in Berlin, followed by a two-to-three-day visit to Brussels, and later supplemented by follow-up seminars in Berlin. The intention is that officials in each department should complete this training every few years. The Berlin government occasionally holds special cabinet meetings in Brussels, focused on a European agenda, to foster ministerial attention and thinking on EU matters and their wider implications for Berlin.

At national level, the Berlin government makes use of multiple avenues for engagement on EU policy. In the Bundesrat, Berlin and its counterparts can take collective positions and make declarations on EU matters which have constitutional force. In that regard, the German government is obliged to take note of those formally expressed views. Since the Bundesrat is also a chamber of an EU national parliament, the federal states can jointly participate in the EU’s subsidiarity control mechanism (European Commission 2019a), under which national parliaments may issue a ‘yellow card’ or ‘orange card’ to object to legislative proposals which they believe do not respect subsidiarity. The German states also operate their own informal system of Ministerkonferenzen, which have different configurations similar to the EU Council and include leader-level and subject minister-level meetings. These conferences take collective decisions and issue joint position papers on EU topics, which can then be put to the federal government.

At European level, Berlin engages with the EU institutions, fellow regions and cities. The government participates in European Commission and EU Council working groups, by agreement with the German government, where its officials represent the German position. Berlin has two representatives on the Committee of the Regions and it is a member of
Eurocities, an important network organisation of European cities. It also cooperates with other EU regions and cities on matters of common concern, such as housing and tourism, air quality and transport, and combating money laundering – building region-level or city-level coalitions to garner the attention of EU institutions and EU national governments on such issues. As Berlin demonstrates, maintaining its European thinking culture requires continuous investment and attention. However, the benefits of Europeanisation, in terms of inspiring European thinking and its positive impact on policy, networks and funding, are in the long run well worth the effort.

**Recommendations for Scotland in its EU Engagement**

Taking from the experiences of small states and regions outlined, three principal recommendations for Scotland are suggested to further develop its EU engagement. These recommendations – citizens’ dialogues on the EU, European strategic bilateral audits and a European thinking culture for government – have the potential to enhance the impact of Scotland's EU policy.

**EU Networks: Citizens’ Dialogues**

Scotland is well integrated into existing European networks across a wide range of policy areas, in Brussels and across the EU. It is important however to consider ‘networks’ in the broadest sense, to include not just coalitions of political and state interests but wider debates in Europe. In that respect, one notable network of debate in the EU is the ongoing national EU citizens’ dialogue events which have taken place in a number of member states. Inspired in large part by the call from French president Emmanuel Macron in his Sorbonne speech in September 2017 for democratic assemblies (Salamone 2017), many EU countries have since begun to undertake such national dialogues on the future of Europe. Among the smaller EU member states, Finland (2019a) and Ireland (2018f) have organised such events and produced reports highlighting common reflections on the EU from the discussions.

The Scottish government could consider the benefits of organising its own programme of citizens’ dialogues on the future of the EU. These events could take place across the country and bring ministers and public figures together in conversation with people from all parts of society. The objective would be to encourage debate and to gather as wide a range of views as possible on what EU issues are important for Scotland, and how the EU should develop its policies and institutions for the future. The dialogues would culminate in a summary report to be used to inform the Scottish government’s EU policy and priorities, and to establish a principle of interactive public consultation on strategic European issues. This report would also be shared at European level, with the EU institutions, member states and wider European public, as a Scottish contribution to the debate on the future of Europe. These citizens’ dialogues would enable people in the country to engage on Scotland’s place in Europe and to bring Scottish perspectives to the EU’s main debate – complementing Scotland’s extensive European networks sustained by civil society, academia, business and others, and leading to new networks.

**EU Bilateral Relations: Strategic Bilateral Audits**

Scotland has long-standing bilateral relationships with EU member states and regions of those states. Relations with individual European countries are an essential part of Scotland’s overall EU engagement. The Scottish government has in recent years increased its presence in the EU, establishing ‘Innovation and Investment hubs’ (Scottish government 2019) in Dublin,
Berlin and Paris, alongside the expansion of its existing Brussels representation, Scotland House. Taking inspiration from Ireland, the Scottish government should consider undertaking ‘strategic bilateral audits’ of the kind which Ireland has conducted for its relations with Germany and France. Such audits would constitute a comprehensive review of Scotland’s presence in the relevant state, including political, economic, research, cultural and social relations. They would be granular and include data by regions and key cities.

This exercise would determine current strengths in relationships, sectors and geography; identify promising areas for investment, development and growth; and set relevant targeted recommendations based on that analysis. Strategic bilateral audits could be pursued in the first instance for Ireland, France and Germany, the countries of the present European national hubs. They could also be conducted for other EU countries with which Scotland has substantial economic and cultural relations, such as the Netherlands and Denmark. These audits would therefore complement the government’s existing European engagement activities. Taken together, they could contribute to the work of the current hubs, and inform the assessments for the locations of possible future hubs. These strategic bilateral audits could ultimately be used to develop dialogues with the relevant states on joint efforts to deepen cooperation in identified areas of mutual interest.

*Europeanisation: Think Europe*

Since the EU referendum, the Scottish government has undertaken extensive efforts to map Scotland’s policy relationships with the EU. While this work has understandably had its primary focus on preparation for possible Brexit scenarios, furthering the Europeanisation of Scottish politics and policy can bring benefits in its own right. Following from the approach of Berlin, the Scottish government could institute an everyday ‘Think Europe’ philosophy. This approach would be embodied in a concise cross-government Think Europe strategy that would encourage actors at all levels of government to consider whether relevant activities relate to Scotland’s EU policy, could be informed by ongoing European debates or could benefit from involving or developing European networks. The aim would be to improve the work of the government by increasing the potential for EU-related synergies throughout all stages of the policy cycle.

The purpose of the Think Europe philosophy would be to reinforce ongoing EU-related efforts and to foster new European connections. In practice, the strategy should lead to more European thinking in all policy fields – beyond those with a clear EU dimension, such as environment, agriculture and fisheries – and in areas such as health, elections and housing. It could be complemented by boosting certain aspects of European engagement. The Scottish government could increase ministerial visits to Brussels, EU national capitals and elsewhere in the EU in support of Scotland’s EU policy objectives. While holding cabinet meetings in Brussels might be simpler logistically for Berlin than Scotland, that kind of thinking can have a meaningful impact on bringing Europe more into ministers’ conversations. Scottish officials working in different policy areas could engage more regularly with the European level, including through visits to Brussels, and to the European national hubs. These visits would have the potential to not only build European awareness and capacity but also foster bilateral networks and contacts.

Building on the EU strategies of small states and regions, these three EU recommendations for Scotland – citizens’ dialogues on the future of Europe, European strategic bilateral audits, and a ‘Think Europe’ philosophy – would enhance Scotland’s EU engagement. With these initiatives, Scotland can become more effective and focused in developing its European
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interests – achieving its EU objectives, creating stronger EU networks for Scotland and securing more of the benefits which the EU makes possible.

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References


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