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DeCrises

D1.2 Report on the gaps in the MLG framework concerning twin transitions

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Key takeaway messages

- Actors' agency in European Union's (EU) multilevel governance (MLG) is capacity-driven, not determined by formal authority. Actors shape outcomes when they have early access, resources, knowledge, and network embeddedness – not simply institutional mandates.
- Actors most affected by the twin transition often have the least influence over its design. This reflects a structural imbalance between actors' exposure to policy outcomes and their capacity to influence them.
- Agenda-setting remains centralised at EU and national levels due to unequal access to decision-making processes. Early-stage access and continuous engagement causally determine who influences outcomes.
- Formal transparency and participation rights do not guarantee real influence. Without sufficient capacity, participation remains procedural rather than decision-shaping.
- Improving MLG requires strengthening actors' influence capacities within existing structures. Earlier engagement, coordination, and support for bottom-up actors are more effective than creating new institutional arrangements.

Executive summary

Objectives and approach

This report examines gaps in the EU's MLG framework conceptually and in the context of the twin climate and digital transitions. Its main objective is to explain what enables or constrains actors from becoming effective agents of change, moving beyond descriptive institutional mapping towards a capacity-based, causal understanding of governance. To achieve this, the report combines a critical review of MLG literature with empirical evidence from 26 semi-structured expert interviews conducted across EU, national, regional, and local levels with public and private actors in Finland, Latvia, Norway, and Poland.

Conceptually, the report proposes a capacity-based framework of MLG, operationalising agency through two dimensions: influence capacity (ability to shape outcomes) and exposure capacity (degree to which actors are affected by them). This framework enables the analysis to identify causal mechanisms linking actors' capacities to their ability to influence governance processes.

Key findings

Empirical analysis shows that agenda-setting in EU's MLG remains strongly centralised and capacity-driven. EU institutions – particularly the European Commission (EC) – and national governments dominate agenda-setting due to their early access to decision-making processes, technical expertise, and financial and organisational resources. Large business actors and well-established interest groups also exert significant influence, particularly in technically complex policy domains, such as climate and digital transition. By contrast, municipalities, NGOs, local communities, and SMEs are typically involved at later stages of policymaking, mainly during consultation or implementation. This creates a systematic imbalance: actors with high exposure to policy outcomes often have limited influence over their design.

The findings demonstrate causality in shaping governance outcomes. Actors who access decision-making early, possess technical, financial and organisational capacity, and are embedded in policy networks, are significantly more likely to influence agendas and decisions. Conversely, actors lacking these capacities remain formally included but substance-wise marginal.

The report also identifies a gap between formal transparency and practical accessibility. While participation mechanisms exist, meaningful influence depends on actors' ability to navigate complex and resource-intensive processes. As a result, participation is often procedural rather than decision-shaping.

Collaboration across governance levels is strongest at the EU–national interface and weakens towards subnational levels. This reflects a mismatch between formal coordination structures and actual capacity to engage. In the twin transition, subnational

actors are primarily positioned as implementers rather than strategic partners, and collaboration is often project-based and temporary rather than institutionally embedded.

Main recommendations

The report concludes that EU's MLG is characterised by systematic asymmetries in agency, where influence is concentrated among actors with greater capacities, while those most affected by policies remain marginal in decision-making. Addressing these gaps does not require new institutions, but more effective use of existing governance structures. Key priorities include earlier and more accessible engagement in agenda-setting, strengthening cross-level coordination, simplifying procedures to reduce capacity barriers, and supporting bottom-up actors in building influence capacities.

Institutionalising social innovation within existing frameworks – through co-design, learning, and coordination mechanisms – can help rebalance the relationship between influence and exposure. Without such changes, EU's MLG risks remaining formally inclusive but substantively unequal, limiting both the effectiveness and legitimacy of the twin transition.

Non-technical summary

This report looks at how decisions about Europe's green and digital transitions are made – and who actually has influence over them. The study shows that while many actors are formally included in decision-making processes, not all of them are equally able to shape outcomes. In practice, influence depends less on formal roles and more on whether actors have the time, knowledge, resources, and access needed to engage early and effectively.

Based on expert interviews across Finland, Latvia, Norway, and Poland, the report finds that decision-making power is concentrated among EU institutions, national governments, and well-resourced organisations. These actors are able to shape policies because they are involved from the early stages and have the capacity to follow complex processes. By contrast, municipalities, local communities, NGOs, and small businesses are often involved too late, when key decisions have already been made. Even though these actors are often most affected by the outcomes – such as new regulations, costs, or implementation responsibilities – they have limited influence over how policies are designed.

The report also shows that formal transparency does not automatically mean real participation. Information may be publicly available, but it is often too technical, complex, or difficult to access without specialised knowledge. This means that participation tends to favour actors who are already well connected and experienced in EU policymaking.

Cooperation between different levels of governance works best between the EU and national authorities, but becomes weaker at regional and local levels. In many cases, local actors are expected to implement policies rather than help design them. Collaboration is often short-term and linked to specific projects, rather than being part of long-term governance structures.

Overall, the report concludes that the main challenge is not the lack of participation opportunities, but unequal capacity to use them effectively. To improve governance, the focus should be on helping more actors – especially those most affected – gain the capacity to influence decisions earlier in the process. This can be done by improving communication, simplifying procedures, strengthening coordination, and supporting cooperation between actors. By doing so, EU decision-making can become not only more inclusive in form, but also more balanced and effective in practice.

List of abbreviations

BSR	Baltic Sea region
EC	European Commission
EEA	European Economic Area
EU	European Union
MLG	Multilevel governance
NGO	Non-governmental organisation
RAI	Regional Authority Index
SME	Small and medium-sized enterprise
WP	Work Package

1. Introduction

The twin transition, a simultaneous pursuit of climate neutrality and digital transformation in the context of the EU's multilevel governance (MLG), represents one of the most analytically demanding challenges facing contemporary governance scholarship, engaging a heterogeneous configuration of actors across supranational, national, regional and local levels while increasingly blurring the boundaries between public authority and private power. This report, as a part of the DeCrises project, aims to explore the governance patterns in the EU in general, and on twin transition in particular, by critically examining the MLG theoretical framework as the primary analytical tool through which such complexity has be studied. From a theoretical perspective, the report addresses the central research question of what enables – or prevents - actors from becoming effective agents of change within the EU's MLG system.

MLG is a theoretical framework that seeks to explain how political authority, decision-making, and policy implementation are distributed across multiple levels of governance – supranational, national and subnational, the latter encompassing different configurations of regional, municipal and local levels. MLG theoretical framework presumes that modern governance operates through overlapping competencies and shared authority among a variety of actors. Actors include not only state institutions but also supranational bodies, subnational governance arrangements, as well as private stakeholders, such as businesses, NGOs and local communities. While MLG has been particularly influential in the EU studies, significant theoretical gaps remain. The main purpose of this report is to identify those gaps and propose conceptual refinements necessary to render MLG analytically adequate for the governance of twin transitions.

MLG in the EU context was first formulated by Gary Marks in his 1993 work "Structural Policy and Multilevel Governance in the EC", elaborated further theoretically in the mid-1990s (Marks, Hooghe & Blank,1996), and consolidated as a full-fledged theoretical framework in 2001 together with Liesbet Hooghe in their book "Multi-Level Governance and European Integration" (Hooghe & Marks, 2001). While Marks defined MLG as a system where decision-making authority is dispersed across multiple territorial levels, Hooghe and Marks later introduced an institutional typology distinguishing between Type I governance (general-purpose jurisdictions) and Type II governance (task-specific, flexible jurisdictions) (Hooghe & Marks, 2003). Other scholars, notably Michael Keating, applied MLG to regionalism and territorial politics (Keating,1998), while Ian Bache in his book "Europeanization and Multilevel Governance" (Bache, 2008) demonstrated how EU governance reshapes domestic politics and institutions.

MLG addresses the issue that authority and power are fragmented and dispersed both vertically across levels of government and horizontally across public and private actors. Hence, decision-making involves negotiation, coordination, and network-based interactions instead of hierarchical command and control phenomenon. This analytical focus directs MLG research towards the study of interactions and processes unfolding across governance levels, rather than towards predefined causal sequences (Piattoni, 2010). Consequently, MLG methodologically tends to turn to process tracing, which is used to understand how decisions emerge through interactions across governance levels. Case studies are also widely utilised as well as comparative case studies across policy sectors (George & Bennett, 2005). This allows scholars to examine variations in governance arrangements and identify patterns of authority sharing (see, Scharpf, 1997; Beach& Pedersen, 2013; Bache & Flinders, 2004).

With a pluralist and interdisciplinary perspective MLG uses qualitative, quantitative, and mixed methods approaches to capture the complexity of governance across levels. Its methodological orientation is largely empirical and descriptive, focusing on mapping relationships, interactions, and authority structures among actors. For this reason, MLG is stronger in describing the governance patterns than in causal explanation, and can be characterised more as a conceptual framework than a full explanatory theory with predictive capacity. As a conceptual framework, MLG thus maps the governance complexity without aiming to provide strong causal explanations. As such, it describes how authority is dispersed but struggles to explain why certain actors gain influence or who ultimately controls outcomes.

The MLG literature reveals several persistent gaps that are particularly salient in the context of the twin transition. First, MLG has been criticised for its strong emphasis on formal institutional structures and jurisdictional arrangements, often at the expense of systematically analysing power relations, informal influence, and agency across actors. Second, while MLG increasingly acknowledges the role of non-governmental private actors, it lacks clear conceptual tools for distinguishing between participation and effective influence, making it difficult to explain why some actors shape outcomes while others remain marginal. Third, MLG tends to privilege descriptive mapping over causal explanation, offering limited insight into how actors move between roles, exercise agency, or overcome structural constraints. Finally, existing MLG approaches have only partially addressed the specific governance challenges posed by the twin transition, where high technical complexity, economic framing, and multi-sectoral coordination further amplify power asymmetries. These gaps point to the need for conceptual refinement and an empirically grounded framework capable of linking authority dispersion with agency – or ability to influence the outcomes.

The second aspect is the tendency of MLG to underestimate persistent power asymmetries between actors and to overestimate the autonomy of subnational or supranational actors. The DeCrises project, therefore, investigates decision-making processes under the assumption that non-governmental actors may exert significant influence, whether through specialised expertise, economic power, or implementation capacity. MLG often lacks clear criteria for determining where governance levels begin and end, especially in highly networked or informal policy domains. MLG turns to network analysis as a key research instrument since governance is understood as occurring through formal and informal networks. Research concentrates on policy networks, advocacy coalitions, and institutional linkages to understand influence and coordination (Rhodes, 1997; Börzel,1998; Bache & Flinders, 2004).

DeCrises theoretical and empirical research takes an approach where it conceptualises actors and agents, and empirically investigates how they influence the decision making and are exposed to the changes afterwards. DeCrises defines actors as those public or private entities affected by change or those passively observing the change. Meanwhile, agents are those who are facilitating change, with direct presence and influence either on decisions being made or implemented. This approach allows to investigate and theoretically integrate in MLG both the public actors who are legitimately adopting regulation or are invested with administrative, legal and political rights in legislative process, and the non-governmental actors (including business sector) who possess capacities to engage in these processes.

In DeCrises conceptual framework, actors are thus institutions, businesses, NGOs, communities and groups, which are affected by change and those observing the change from distance without

actively engaging in action and defining the outcome. Agents, on the other hand, are institutions, businesses, NGOs, communities and groups, which facilitate change with direct engagement via lobbying and consultation, unique expertise or technology, financial investment, or practical implementation of new legislation. Economic basis, governance literacy, technological skills, political savvy, embeddedness in networks are the elements that define their capacities. Crucially, it is not the possession of resources alone but their active mobilisation that transforms an actor into an agent of change.

This report focuses on identifying gaps in the EU's MLG that hinder the achievement of inclusive and just governance in general and in the context of the twin climate and digital transitions. The report is structured in two interrelated parts that examine these gaps both conceptually and empirically, linking theoretical refinement with observed governance practices. Chapter 2 provides the conceptual foundation of the report. It reviews the evolution of MLG, its core concepts, and key critiques, with particular attention to limitations related to power, agency, and the role of private actors. Building on this, the chapter introduces the DeCrises conceptual and methodological framework, including a capacity-based understanding of agency. This framework shifts the analytical focus from formal institutional competences to empirically traceable influence, enabling a more explanatory approach to understanding how governance outcomes are produced across levels and actors. Chapter 3 constitutes the empirical part of the report. Drawing on expert interviews and comparative analysis of the DeCrises case countries – Finland, Latvia, Norway, and Poland – it examines how agenda-setting, cross-level collaboration, and agency function in practice within the EU's MLG system. The analysis focuses on how transparent and inclusive the EU's MLG process is, how different public and private actors exercise influence, how exposure to policy outcomes is distributed, and which structural, institutional, and capacity-related factors enable or constrain effective participation and collaboration. In doing so, the chapter identifies causal mechanisms linking actors' capacities to their ability to shape governance outcomes. The two parts connect the conceptual framework with empirical evidence to explain where and why MLG falls short in addressing power asymmetries. This integrated approach provides a foundation for analysing how influence is distributed in practice and supports future work in elaborating recommendations aimed at strengthening agency, coordination, and inclusiveness within existing governance frameworks.

2. MLG in the EU: theoretical foundations, contemporary transformations and a way forward

The literature review examines the theoretical evolution of MLG, tracing the origins of the concept, mapping its theoretical consolidation, identifying major debates and critiques, and evaluating methodological developments. The objective is not merely descriptive but analytical: to demonstrate how MLG has shifted from a challenge to state-centrism into a broader paradigm grappling with authority dispersion, actor plurality, and governance complexity. To this end, the chapter proceeds by first situating MLG within its theoretical development and subsequent transformations, then critically engaging with how power and agency have been conceptualised within the MLG theoretical framework, and further examining the role of public and private actors in shaping governance processes. Building on these discussions, the chapter develops the conceptual and analytical foundations that guide the report, preparing the ground for the empirical analysis that follows in the report and other DeCrises work packages (WP).

2.1. Origins and early conceptualisation of MLG

The 1990s saw the rise of governance theory emphasising networks rather than hierarchies (Rhodes,1997). MLG has evolved into one of the most influential frameworks in the study of European integration, comparative federalism, and governance more broadly (Marks,1993; Hooghe & Marks, 2001, Sajida, 2025). Since its emergence in the early 1990s, it has moved from a sector-specific conceptualisation of the European structural policy to a widely deployed analytical framework used in public policy, international relations, environmental governance, urban studies, and global governance scholarship.

Prior to the emergence of MLG, European integration scholarship was dominated by two major paradigms: neofunctionalism and liberal intergovernmentalism. Neofunctionalism (Haas,1958; Lindberg,1963) emphasised “supranational spillover” and elite-driven integration, while liberal intergovernmentalism (Moravcsik,1998) reasserted the primacy of national governments as rational actors pursuing domestically derived preferences. By the late 1980s, liberal intergovernmentalism had achieved dominant status among scholars and practitioners. It conceptualised integration as an outcome of interstate bargaining, with supranational institutions serving primarily as agents of member states (Moravcsik,1998). Authority remained fundamentally state-centred. However, empirical developments – particularly the reform of EU structural funds in 1988 and the strengthening of regional cooperation in the EU policy-making - challenged this state-centric interpretation.

The foundational moment of MLG is commonly traced to Gary Marks’ (1993) analysis of EU structural policy reform. Marks demonstrated that the reform institutionalised direct relationships between the EC and subnational authorities, thereby bypassing national governments in certain respects. This development contradicted the assumption that national governments monopolized control over EU integration. Instead, authority appeared dispersed vertically across supranational, national, and regional levels. However, Marks (1993) did not yet articulate a generalised theory. His empirical observation that decision-making authority was shared across levels laid the foundation for conceptual innovation. The seminal theoretical articulation of MLG emerged in the article of Marks, Hooghe & Blank (1996), which explicitly contrasted state-centric models with MLG, arguing that EU decision-making authority had become “shared by actors at different levels rather than monopolized by national governments” (Marks, Hooghe & Blank, 1996, p. 346). This

formulation introduced three core claims: (1) that the authority is dispersed across multiple territorial levels (2) that jurisdictions are not nested neatly but overlap, and (3) that the subnational actors participate directly in EU governance. The 1996 article marked a paradigm shift in EU studies. Instead of asking whether integration was supranational or intergovernmental, MLG reframed the debate around authority dispersion.

Hooghe and Marks (2001) provided the first systematic theoretical consolidation in MLG and European integration. Their book formalised MLG as a theory of governance in which competencies are shared across levels of government and decision-making involves a multiplicity of actors. Importantly, the authors emphasised that supranational integration had altered domestic governance structures. The state was "unravelled" vertically rather than displaced (Hooghe & Marks, 2001). However, despite acknowledging non-state actors, the theory remained primarily focused on public authorities. Private actors were recognised as participants but not theorised as power holders.

Table 1. Evolution of EU integration theories

Theory	Main assumption	Role of state	Role of non-state actors	Governance logic
Neofunctionalism	Integration driven by functional spillover	Declining dominance	Limited	Supranational dynamics
Liberal intergovernmentalism	States as rational decision-makers	Dominant	Marginal	Interstate bargaining
MLG	Authority dispersed across levels	Shared	Increasingly important	Networked, multi-level

A major theoretical advance came with Hooghe and Marks' (2003) distinction between Type I and Type II governance where the first resembles federal systems (jurisdictions, territorial levels, state boundaries, non-overlapping competences), while the Type II features governance characteristics (task-specific jurisdictions, functional specialisation, overlapping memberships etc.). This typology expanded MLG beyond EU structural policy and enabled comparative applications across policy domains. However, this refinement maintained an institutional focus: jurisdictions and competences remained central analytical units.

Later Ian Bache (2008) connected MLG to Europeanisation research, examining how EU governance reshaped domestic structures. MLG became not only a description of EU-level authority dispersion but also a framework for understanding domestic transformation. Meanwhile, Michael Keating (1998; 2001) linked MLG to regionalism and plurinational democracy. He argued that integration had empowered regions, transforming territorial politics across Europe. These contributions broadened MLG's empirical base. Yet they retained a focus on public authorities and territorial restructuring.

As global governance institutions proliferated, scholars began to apply MLG to international politics more broadly. Zürn, Wälti, and Enderlein (2010) argued that global governance increasingly resembles multilevel arrangements, characterised by overlapping jurisdictions and shared competences. The World Trade Organisation, climate governance regimes, and financial regulatory networks exhibit multi-level features: authority dispersed across global institutions, states, and subnational actors. Thomas Risse (2013) emphasized that global governance often operates in areas of limited statehood, where non-state actors assume governance functions.

This perspective resonated with MLG's attention to dispersed authority but pushed further towards privatised and hybrid governance arrangements. Similarly, Slaughter (2004) conceptualised a "disaggregated state" connected through trans-governmental networks. The expansion of MLG to international developments reflected both the perceived portability of MLG's core insight - authority dispersion across levels - and broader transformations in political organisation associated with globalisation, regionalisation, and functional differentiation (Held et al.,1999).

Scharpf's (1997) actor-centred institutionalism provided a bridge between institutional structures and strategic interaction. Governance outcomes were seen as shaped by actors operating within institutional constraints but pursuing strategic goals. MLG increasingly intersected with this network approach. Piattoni (2010) emphasised that MLG involves both vertical and horizontal dimensions. Vertical refers to dispersion across territorial levels; horizontal refers to interactions among public and private actors within levels. The network approach highlighted that governance processes are rarely linear. Instead, it assumed that policy emerged from negotiated coordination among interdependent actors with asymmetric resources. While network theory emphasised relational dynamics, MLG retained a structural focus on territorial levels. Bridging these approaches became a key challenge.

By the mid-2000s, MLG was applied beyond the EU to environmental governance (Bulkeley & Betsill, 2005), climate policy networks, global governance institutions and urban transnational networks. Environmental policy became one of the most fertile areas for applying MLG, as environmental problems transcend territorial boundaries, requiring coordination across global, national, regional, and local levels. Bulkeley and Betsill (2005) demonstrated how cities participate directly in climate governance, bypassing national governments. Urban networks such as C40 and Local Governments for Sustainability (ICLEI) operate transnationally, creating a multi-level architecture beyond traditional interstate frameworks. Betsill and Bulkeley (2006) further argued that climate governance exhibits "multi-level" characteristics not only vertically but also across public-private partnerships.

Ostrom's (2010) concept of polycentric governance resonated strongly with MLG. Polycentric systems consist of multiple centres of decision-making authority operating semi-independently but interacting. While polycentric governance and MLG developed separately, both challenge hierarchical state-centric models. Some scholars treat them as complementary frameworks; others distinguish polycentric governance as more bottom-up and less territorially bounded. The convergence of these literatures strengthened MLG's normative and empirical relevance in environmental politics.

Urban governance scholarship increasingly adopted MLG to analyse metropolitan fragmentation and transnational municipal cooperation. Pierre and Peters (2000) emphasised the complexity of urban governance arrangements involving public authorities, private firms, and NGOs. Cities operate within national frameworks but increasingly engage directly with supranational institutions and global networks. Transnational city networks exemplify Type II governance: task-specific, overlapping, and flexible (Hooghe & Marks, 2003). They illustrate how governance can occur without centralised hierarchy. However, urban applications also highlight private actor participation, raising questions about democratic accountability and legitimacy. A similar trajectory can be observed in climate and energy studies, which have increasingly drawn on MLG frameworks to examine governance challenges in these sectors (Zepa & Hoffmann, 2023; Pūķis et al., 2023; Dobravec et al., 2021; Faber et al., 2025).

As MLG expanded, scholars began examining private authority within regulatory systems. Cutler, Haufler, and Porter (1999) documented the rise of private authority in international affairs, particularly in standard-setting and certification regimes. Braithwaite (2008) described the shift towards regulatory capitalism, where private actors play central roles in governance. These developments intersect with MLG's emphasis on dispersed authority but move beyond territorial levels towards functional authority domains.

The applications of MLG to governance patterns beyond the European integration demonstrated the applicability of MLG outside its traditional domain. Methodologically, early MLG relied heavily on qualitative case studies (Marks,1993; Hooghe & Marks, 2001), while later texts already incorporated comparative analysis, survey data on regional authority (Hooghe et al., 2016) and network analysis. A significant methodological advance came with the development of systematic measurement tools for regional authority (Hooghe et al., 2016). The Regional Authority Index (RAI) quantified authority across multiple dimensions - self-rule and shared rule - across dozens of countries over time. RAI marked a turning point in quantitative MLG research. Scholars began using cross-national datasets to examine decentralisation trends, party system effects, and regional empowerment. This innovation expanded MLG's empirical base beyond qualitative case studies. By operationalising authority dispersion, the RAI strengthened comparative analysis and demonstrated that multi-level structures vary systematically across political systems. However, measurement also raised conceptual questions. Authority indices focused primarily on formal competences, potentially overlooking informal influence and private actor participation – an issue that later scholarship increasingly emphasised.

As MLG spread across research domains, concerns emerged regarding its conceptual stretching (Jordan, 2001) (Table 2). If all complex governance systems were labelled "multilevel", the concept risked losing analytical precision. Scholars debate whether MLG should remain closely tied to EU studies or become a general governance framework. Major concerns arose as to whether MLG constitutes a theory or merely a descriptive metaphor (Piattoni, 2010; Jordan, 2001). Early critics suggested that MLG might merely describe the *sui generis* nature of the EU rather than represent a generalizable theory (Moravcsik,1998). Critics argued that MLG lacked causal mechanisms and predictive capacity. Some scholars argued that MLG rebrands federalism. Benz (2000) responded to critics, comparing MLG to federal theory and arguing that while federalism emphasized constitutional allocation of competences, MLG focused on negotiated coordination and interdependence. Börzel (1998) similarly analysed how Europeanisation transformed domestic federal arrangements, reinforcing multi-level dynamics. Proponents of MLG contended that MLG differed from federalism by emphasising non-hierarchical and overlapping jurisdictions rather than constitutionally fixed competences. Piattoni (2010) responded by conceptualising MLG as a theory of authority reallocation, emphasizing vertical and horizontal dispersion.

Table 2. Early criticism of MLG

Criticism	Explanation
Descriptive character	MLG does not reveal causal mechanisms
Conceptual stretching	MLG is applied too broadly; conceptual distinction from other theories is not clear
Lack of private actor analysis	MLG under-theorises informal/private power
Weak predictive capacity	MLG has limited explanatory power

Although early MLG literature acknowledged non-state actors, systematic theorisation of private actors' power remained limited. Governance scholars such as Scharpf (1997) emphasized actor-centred institutionalism, highlighting strategic interaction between actors. Meanwhile, epistemic community research (Haas,1992) examined knowledge-based influence. However, these strands were not fully integrated into MLG's core architecture, and calls for greater attention to informal networks, actor-centred power analysis and mechanism-based explanation remained vocal (Schout & Jordan, 2005).

2.2. Crisis-driven transformations and contemporary reconfigurations of MLG

The political and economic crises of the past two decades have profoundly reshaped the institutional and normative environment within which MLG operates. This section focuses on development of MLG from the Eurozone crisis in 2008 onwards, examining how successive shocks - the Eurozone crisis, migration governance conflicts, Brexit, the Covid-19 pandemic, and the politicisation of European integration - have challenged earlier assumptions of steady integration, cooperative problem-solving, and consensual authority-sharing. As a result, contemporary academic development in the context of MLG has shifted from describing stable multilevel coordination patterns towards examining crisis-driven transformations, emergency governance, politicisation, and the recalibration of authority between levels.

The Eurozone crisis marked a significant renewal in the evolution of MLG. Scholars observed a shift towards what some termed "executive federalism," characterised by strengthened intergovernmental coordination and expanded executive discretion (Fabbrini, 2015; Puetter, 2014). Puetter (2014) argued that deliberative intergovernmentalism intensified, with the European Council and Eurogroup assuming central roles. This development appeared to reassert the role of national executives rather than subnational actors. However, from an MLG perspective, the crisis did not eliminate multilevel dynamics. Instead, it reconfigured authority distribution, enhancing supranational fiscal oversight while simultaneously centralising national executive power.

One major transformation concerned the emergence of what Bickerton, Hodson, and Puetter (2015) described as "the new intergovernmentalism." Contrary to earlier expectations that supranational institutions would progressively consolidate authority, post-Maastricht governance had often strengthened executive coordination among member states rather than supranational autonomy. Fabbrini (2015) similarly argued that the EU had evolved into a differentiated political system in which executive actors at the national level exercised decisive influence in moments of crisis. Puetter (2014) demonstrated how deliberative intergovernmentalism within the European Council and the Council of the EU had expanded, particularly in areas such as economic governance. These developments complicated the early MLG narrative of authority dispersion by revealing patterns of recentralisation and executive dominance under conditions of crisis.

Crisis governance has also introduced elements of emergency politics that alter the balance between levels. White (2015) conceptualised the "Emergency Europe" as a mode of governance characterised by accelerated decision-making, reduced parliamentary scrutiny, and executive-driven coordination. In such contexts, MLG does not disappear but becomes compressed, with certain arenas gaining prominence while others are marginalised. Scharpf's (1999) distinction between input and output legitimacy becomes particularly relevant in this setting. Crisis-driven

governance often prioritizes output effectiveness, stabilizing markets or managing public health, at the expense of participatory input mechanisms. This trade-off raises normative concerns about democratic accountability in multilevel systems.

Parallel to crisis-induced centralisation, politicisation has fundamentally reshaped the multilevel landscape. Hooghe and Marks (2009) advanced a post-functionalist theory to explain how identity politics and constraining dissensus have replaced the earlier permissive consensus that enabled technocratic integration. Their later work linking cleavage theory to European crises (Hooghe & Marks, 2018) highlighted how transnational integration had activated new political cleavages structured around identity, sovereignty, and cultural protection. Politicisation alters the dynamics of MLG by introducing electoral competition and public contestation into arenas previously characterised by elite negotiation. Zürn (2018) similarly emphasised the politicisation of global governance institutions, arguing that growing public contestation challenges the authority of multilevel institutions and reshapes their legitimacy foundations.

The governance of climate change provides an illustrative example of contemporary multilevel complexity. Betsill and Bulkeley (2006) demonstrate how cities operate as active actors in global climate governance, bypassing national governments and engaging directly in transnational networks. This occurs partly because cities bear the most direct consequences of climate change and partly because national governments have at times been slow to commit to ambitious targets, leaving cities to fill in the governance gap. It illustrates how functional necessity and political frustration can drive subnational actors to reconstitute governance arrangements from below.

Bulkeley and Betsill (2005) argued that urban climate politics challenged traditional state-centric models by embedding cities within both local and global governance structures. Hale (2020) further documented the proliferation of transnational climate initiatives involving subnational governments, NGOs, and private actors. These developments reinforced the polycentric character of governance described by Ostrom (2010), who argued that complex collective-action problems were best addressed through multiple, overlapping decision centres operating at different scales. In such systems, coordination and competition coexist, and authority is distributed rather than hierarchically ordered.

Another significant transformation concerned the rise of experimentalist governance. Sabel and Zeitlin (2010) argued that the EU increasingly relied on iterative, framework-based governance mechanisms that combined decentralised implementation with central monitoring and peer review. This form of governance reflected both the limits of hierarchical command and the need for adaptive coordination in uncertain policy environments. Experimentalist arrangements blur the distinction between levels, as subnational experimentation feeds back into supranational norm-setting. Rather than fixed competences, governance becomes recursive and dynamic.

Digitalisation and platform capitalism introduced further reconfigurations of MLG. Srnicek (2017) analysed how digital platforms created new economic infrastructures that transcended territorial boundaries and complicated regulatory authority. As Dunleavy and Margetts (2025) further demonstrated, the giant platform companies, including Amazon, Google, Apple and Microsoft, had developed data science and cloud infrastructure capabilities that permeated public institutions and private actors across multiple jurisdictions, yet remained primarily regulated under their home country laws, exposing significant governance gaps that conventional MLG arrangements struggled to address. The governance of digital markets therefore requires coordination across national and supranational levels while simultaneously engaging private corporations that control

essential infrastructures. In this context, authority is not merely dispersed vertically among public institutions but entangled with private technological power. Similarly, the dominance of Meta, Google and Apple over data flows, digital markets and online communication has prompted supranational responses such as the EU's Digital Market Act (2022) and the Digital Services Act (2022) (European Parliament and Council, 2022a; 2022b), which attempt to impose regulatory authority at the European level while national competition authorities retain parallel enforcement powers. At the urban level, smart city initiatives in Barcelona, Amsterdam and Tallinn further illustrate how municipal governments, national digital strategies, and EU funding frameworks interact with private platform providers, complicating questions of democratic accountability and regulatory responsibility (Meijer & Rodríguez Bolívar, 2016). Such developments intensified earlier debates regarding private authority (Hall & Biersteker, 2009; Braithwaite, 2008) and highlighted the necessity of integrating private actor analysis into MLG frameworks.

Table 3. Early vs post-crisis MLG

Dimension	Early MLG	Post-crisis MLG
Logic of governance	Cooperative coordination	Crisis-driven coordination
Distribution of authority	Gradual dispersion	Recalibration and recentralisation
Decision-making process	Deliberative and consensus-based	Executive-driven and accelerated
Legitimacy	Balance between input and output	Output prioritisation
Political dynamics	Technocratic	Politicised and contested

Overall, these transformations suggest that MLG has entered a new phase characterised by contestation, executive dominance in crisis settings, identity-based politicisation, and hybrid public-private authority structures. The early optimism of cooperative multilevel coordination has given way to a more complex and ambivalent picture (Table 3). Authority dispersion remains a defining feature, yet it is neither linear nor uniformly progressive. Instead, contemporary MLG reflects dynamic recalibration across levels, shaped by crises, politicisation, technological change, and global interdependence.

These developments do not invalidate MLG theory but demand its refinement. Rather than conceptualising MLG as a stable institutional arrangement, it is more accurately understood as a dynamic configuration of authority subject to structural shocks and political contestation. Crisis governance may temporarily centralise authority, politicisation may reintroduce electoral accountability into supranational arenas, and polycentric experimentation may generate new forms of coordination. The analytical challenge for contemporary MLG scholarship is therefore to explain not only how authority is distributed, but how it shifts under pressure, how legitimacy is maintained or eroded, and how public and private actors interact across evolving institutional landscapes.

These challenges imply that institutional mapping, while necessary, remains insufficient for explaining governance outcomes. To enhance the MLG framework, next sections critically interrogate the theoretical foundations underlying the conceptualisation of actors and agency within MLG scholarship and establishes the argumentative groundwork for the report's central claim: that MLG must move beyond institutional mapping and systematically incorporate non-governmental private actors into its theoretical core. The analysis therefore proceeds in two

interrelated steps: first, by critically reviewing how MLG has conceptualised power and agency and, second, by establishing the theoretical case for a more comprehensive, influence-centred reformulation of the MLG framework.

2.3. Rethinking power and agency in MLG

The section examines how power, authority, and actor participation have been theorised across governance research identifying the structural limitations that arise from overreliance on formal, institution-centred analysis. Democratic implications of MLG - questions of transparency, accountability, and legitimacy – cannot be adequately assessed without first tracing the influence mechanism through which both public and private actors shape governance outcomes.

Central to DeCrisis analytical framework is the distinction between actors and agents in MLG. An actor is any entity formally or informally present within a governance arrangement, meaning that it is recognised, consulted, or affected by decisions. An agent is, by contrast, an entity that demonstrably shapes governance outcomes through the exercise of influence, whether through formal authority, resource leverage, knowledge production, or agenda-setting. The transition from actor to agent is therefore not status-based but capacity-dependent: it depends on the resources, access, and strategies available to a given entity with a specific governance context. This distinction is consequential because MLG has largely mapped who participates without adequately theorising who influences – conflating presence with power.

One of the most persistent criticisms of MLG concern its conceptualisation of power. Early formulations of MLG focused on the dispersion of authority across territorial levels (Marks,1993; Hooghe & Marks, 2001) but critics argue that mapping institutional competences is insufficient without adequately theorising power relations within and across levels (Jordan, 2001; Piattoni, 2010). Formal authority does not necessarily translate into effective influence, nor does its analysis sufficiently explain who shapes outcomes and how.

Steven Lukes' (2005) multidimensional view of power reminds that power operates through decision-making control, agenda-setting and preference-shaping. MLG scholarship initially emphasized the first dimension (decision authority), while neglecting agenda-setting and discursive influence. Similarly, Hay (2002) conceptualises power as relational and context-dependent, embedded within structures but exercised through agency. This relational understanding challenges purely institutional readings of MLG. Scharpf's (1997) actor-centred institutionalism provides a bridge between structural and agent-based perspectives. Institutions constrain and enable actors, but outcomes depend on strategic interaction, therefore analysis should focus on how actors pursue preferences within multilevel opportunity structures.

Policy network theory (Rhodes,1997; Börzel, 1998) emphasizes interdependence among public and private actors. Networks operate through negotiation, resource exchange, and mutual adjustment. MLG intersects with network theory but initially concentrated on territorial aspect in its conceptualisations, not relational analysis. Haas (1992) introduced the concept of epistemic communities - networks of professionals with recognised expertise and competence. These actors influence policy through knowledge-based authority. In highly technical policy domains (e.g., financial regulation, environmental standards), epistemic communities shape agendas and policy design. This knowledge-based power exemplifies precisely the actor-to-agent transition that this report theorises: epistemic communities are formally actors within governance arrangements, but their capacity to shape agendas and technical standards makes them effective

agents of governance outcomes. MLG scholarship has acknowledged expertise but rarely systematically theorised knowledge-based power across levels.

Christiansen and Piattoni (2003) examines informal governance in the EU, arguing that informal practices often shape the results, being those via back-channel negotiations, elite networks, “soft law” mechanisms, and unwritten norms. Hybrid governance arrangements blur boundaries between public and private authority, as Thomas Risse (2013) points out. Public-private partnerships, regulatory agencies relying on industry expertise, and voluntary codes exemplify hybrid forms. These arrangements challenge clear distinctions between governance levels and actors.

MLG has also been criticised for normalising technocratic governance. By emphasising functional efficiency and coordination, it may obscure political conflict (Papadopoulos, 2010). Technocratic networks – often involving private actors – can depoliticise decisions by framing them as technical necessities. Authority dispersion thus complicates democratic accountability. When decisions are shaped by multi-level interactions and informal networks, identifying responsible actors becomes difficult (Schmidt, 2006). Private actors’ involvement intensifies legitimacy concerns. Unlike elected officials, private entities lack direct democratic mandates.

A recurring critique is that MLG describes complexity without specifying causal mechanisms (Jordan, 2001). To address this, scholars increasingly emphasise mechanism-based explanation. Beach and Pedersen (2013) argue that process tracing enables identification of causal chains linking actor behaviour to outcomes. In multilevel systems, causal mechanisms often involve choosing the right forum for the debate, coalition-building across levels, strategic use of supranational institutions, informal lobbying. Actors may strategically shift arenas to advance preferences (Beyers & Kerremans 2012). For example, interest groups dissatisfied with national outcomes may appeal directly to supranational institutions.

As empirical applications of MLG expanded, scholars began evaluating MLG normatively. Scharpf (1999) distinguished between input legitimacy (“government by the people”) and output legitimacy (“government for the people”). MLG may enhance output efficiency but complicate input legitimacy. Some scholars argue that MLG enables broader participation, including subnational and civil society actors (Bache & Flinders, 2004). Others contend participation is uneven and resource dependent. This tension highlights the importance of examining power asymmetries rather than assuming inclusive pluralism Hence, mixed-method approaches are advocated combining quantitative structural indicators with qualitative process tracing (George & Bennett, 2005).

Recent scholarship increasingly recognises that authority dispersion must be complemented by actor analysis. Zürn (2018) emphasizes the politicisation of global governance institutions, highlighting contestation and actor agency. Cutler, Haufler, and Porter (1999) document the rise of private authority in international politics. Private actors increasingly perform regulatory functions, set standards, and shape policy domains traditionally reserved for states. Similarly, Hall and Biersteker (2009) analyse the “emergence of private authority” in global governance. Certification regimes, rating agencies, and technical standard-setting bodies possess influence without formal public mandates. These developments challenge state-centric and even public-institution-centric interpretations of MLG. Authority dispersion is not merely vertical but also functional and hybrid. Braithwaite (2008) described the transformation from state-centric

regulation to regulatory capitalism, where public and private actors share governance responsibilities. This shift implies that multilevel systems are also multi-actor systems.

These developments signal a shift from institutional mapping towards dynamic actor-centred analysis. Power in governance processes frequently operates through informal channels. However, systematic classification of private actors and modelling of informal influence remain relatively underdeveloped. Most significant challenges involve identifying efficiency vs democratic legitimacy, structure vs agency, formal authority vs informal influence, descriptive mapping vs causal explanation, and territorial vs functional governance.

DeCrisis proposes redefining power in MLG as empirically traceable influence over outcomes. Formal responsibilities do not automatically translate into influence; conversely, actors without formal authority may significantly shape decisions. This process-based understanding aligns with relational conceptions of power (Hay, 2002). The crucial distinction lies between nominal participation and participation with effect. Advisory status, consultation rights, or institutional presence do not constitute influence unless participation alters outcomes. Therefore, empirical research must trace causal chains linking actor engagement to policy results.

DeCrises operationalises the actor–agent dichotomy through a two-dimensional model. In this model, actors are defined as receivers and observers of policy action – these are entities present within governance arrangements but without demonstrable influence over outcomes. Agents, by contrast, are defined by their capacity to influence governance outcomes, meaning that they are entities whose participation demonstrably shapes decisions and policy results. This classification avoids assuming that power is based on institutional position; instead, it classifies participants in MLG based on empirical observation of their influence on policies and their exposure to policy outcomes. Drawing on Haas (1992), DeCrises therefore proposes four categories of stakeholders (Figure 1):

- **Strategically embedded actors**: actors that combine systematic influence over governance outcomes with high exposure to those outcomes. Their position is defined by formal or informal embeddedness in MLG structures, enabling early and sustained engagement in agenda-setting, decision-making, and implementation. Their influence stems from resources, expertise, network access, and continuous presence in policymaking arenas, while their exposure derives from direct responsibility for or dependence on policy outcomes. They represent actors whose influence and exposure reinforce each other, stabilizing actors' agency over time.
- **Regulated participants**: actors that are significantly affected by policy outcomes but have limited capacity to shape them. They typically engage late in the policy process and face constraints in resources, expertise, and access to decision-making networks. Their influence is episodic and mediated, often dependent on alliances, mobilisation, or external representation rather than sustained participation. This category highlights the core asymmetry where high exposure does not translate into agency.
- **Norm entrepreneurs and knowledge brokers**: actors that shape governance through knowledge production, framing, and normative influence, rather than direct participation in decision-making or implementation. Their influence is indirect and long-term, operating through expertise, discourse, and agenda-setting, while their exposure to policy outcomes remains limited. They exercise cognitive and discursive power, rather than material or institutional authority.

- **Peripheral observers**: actors that remain marginal to both governance processes and their outcomes, due to limited relevance, capacity, or engagement. Their position reflects weak embeddedness in governance networks and low incentives or ability to participate. This category highlights that formal openness of governance does not automatically produce participation or agency.

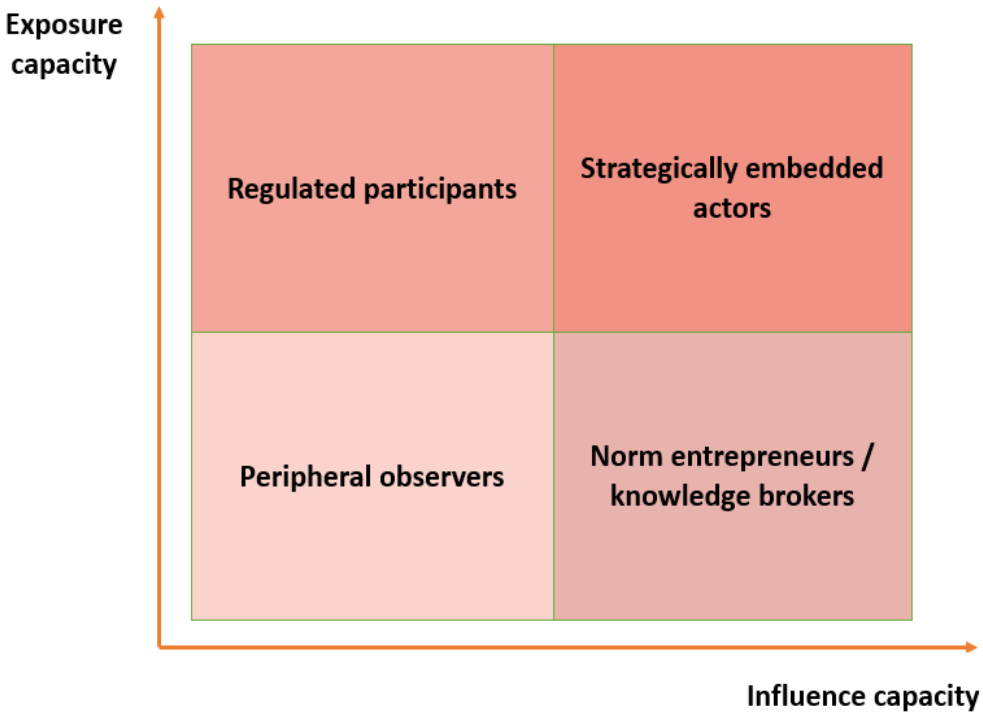


Figure 1. Two-dimensional capacity-based MLG model

Expertise-based authority stems from the dependence of regulators on specialised knowledge in highly technical policy domains. Epistemic communities may define problem frames and shape the range of acceptable solutions (Haas, 1992), while private standard-setting bodies can indirectly influence regulatory content. In this context, influence capacity refers to the ability of actors to shape policy outcomes across governance levels, which is often exercised through knowledge production, discursive framing, and reputational authority (Haas, 1992; Hall & Biersteker, 2009). Entrepreneurial agency, in turn, arises from the fact that market innovations often precede regulation, creating regulatory gaps that compel authorities to respond. This reactive governance dynamic enhances private actors' agenda-setting capacity.

Access to decision-makers further enables private actors to influence draft legislation. Such influence is not limited to formal channels: informal consultations frequently shape early stages of policymaking (Coen & Richardson, 2009). Their power often operates through consultation processes, informal proximity to policymakers, and strategic venue shopping across governance levels (Beyers & Kerremans, 2012). Coalition-building plays a critical role, as private actors may link local, national, and supranational arenas. This cross-level mobilisation reflects the vertical complexity emphasised by MLG Private influence also operates through informal governance arenas, including advisory groups, technical committees, public–private partnerships, and back-

channel negotiations, where outcomes may be shaped beyond formal procedures (Christiansen & Piattoni, 2003). In such contexts, the absence of formal authority does not imply the absence of power. Informal embeddedness, reputational capital, and network density therefore become critical determinants of influence. In addition, implementation leverage may arise where actors control essential infrastructure or compliance mechanisms, while network centrality provides coordination and information advantages within governance networks (Borgatti, Everett & Johnson, 2013). These mechanisms demonstrate that influence is relational, dynamic, and frequently informal. They are particularly characteristic of actors with high influence capacity, including strategically embedded actors that combine influence with exposure to policy outcomes, as well as norm entrepreneurs who shape governance without being directly dependent on regulatory consequences.

While resource asymmetries remain significant, pre-classifying actors as powerful based on structural position risks obscuring emergent patterns of influence. By focusing on traceable outcome effects, researchers can empirically assess influence rather than presuppose it. This approach also highlights that actors with high exposure to policy outcomes – such as SMEs, local communities, or vulnerable groups – may remain weakly influential due to limited access to decision-making arenas, with their impact often mediated through collective mobilisation, judicial strategies, media exposure, or alliances with more powerful intermediaries. Therefore, DeCrises approach does not deny asymmetry but frames it analytically to avoid reproducing institutional bias. Rather than assuming power based on positional status, this approach examines whether actors actually influence governance outcomes.

2.4. Public and private authority in MLG

The preceding section demonstrates that explaining governance outcomes in MLG requires moving beyond formal authority towards empirically traceable influence. While this shift clarifies how actors become agents, it also exposes an insufficient conceptualisation of private actors as sources of power. This following section focuses on integrating public and private authority within the MLG framework

Despite three decades of theoretical refinement, MLG scholarship has only partially integrated non-governmental private actors into its core analytical architecture. Early formulations of MLG focused primarily on the vertical dispersion of authority across territorial levels (Marks, 1993; Hooghe & Marks, 2001). While later scholarship acknowledged the participation of non-state actors in governance processes (Bache & Flinders, 2004; Piattoni, 2010), these actors were typically treated as participants within governance networks rather than as analytically distinct sources of power. This produces a conceptual asymmetry within the theoretical framework: MLG carefully categorises public authority across levels, yet it lacks a coherent typology for private actors operating within and across those levels. In contemporary governance systems, however, private entities frequently shape regulatory agendas, provide expertise, implement policy, influence compliance structures, and diffuse norms across jurisdictions. They do not merely participate in governance; they actively structure it. A systematic classification framework is therefore required to integrate private actors into MLG.

A central conceptual shift is required to accomplish this integration. Traditional MLG research has concentrated on formal authority – competences allocated to supranational, national, regional, and local institutions. Yet previous section has demonstrated that power in governance systems

cannot be reduced to formal decision-making authority. Institutions distribute opportunities, but actors exercise agency. Consequently, private actors must be evaluated not according to formal authority but according to their strategic capacity, resource mobilisation potential, positional advantage, expertise, and embeddedness within governance networks. Influence must be empirically traceable; it cannot be inferred solely from institutional location. This reconceptualisation shifts the analytical focus of MLG from authority dispersion to influence dispersion.

Existing typologies in governance scholarship provide valuable insights but remain insufficient for the purposes of multilevel analysis. Classic pluralist and interest group frameworks categorise actors as business associations, NGOs, or professional groups (Beyers & Kerremans, 2012), yet such typologies emphasise sectoral identity rather than mechanisms of influence or vertical positioning. Studies of transnational private authority (Cutler, Haufler & Porter, 1999; Hall & Biersteker, 2009) demonstrate how private actors exercise regulatory functions in global governance, but they do not systematically address how such actors navigate territorial multilevel structures. The literature on expert networks (Haas, 1992) highlights knowledge-based authority, yet it focuses primarily on scientific expert networks and does not differentiate among broader categories of private actors. Network governance approaches (Rhodes, 1997) illuminate interdependence but do not provide a structured classification of actor types within multilevel systems. What remains missing is a multilevel-specific classification that integrates territorial positioning, cross-level strategic mobility, varying influence mechanisms, and capacity asymmetries.

A capacity-based classification model, described in previous section, can address these shortcomings. Methodologically, capacity-based private actor classification requires tracing actual influence rather than assumed authority. Process tracing offers a mechanism-based approach to identifying causal pathways linking actor strategies to policy outcomes (Beach & Pedersen, 2013). Elite interviews, network mapping, policy document analysis, and examination of consultation records allow researchers to detect agenda-setting effects, draft modifications, regulatory exemptions, and implementation discretion. Such methodological integration strengthens the explanatory capacity of MLG by grounding theoretical claims in observable mechanisms.

Integrating private actor classification also engages normative concerns central to contemporary governance debates. Authority dispersion across levels already complicates accountability (Papadopoulos, 2010; Schmidt,2006). When high-influence private actors operate through informal networks, democratic transparency may be further weakened. A capacity-based classification model does not merely enhance analytical precision; it also clarifies where power asymmetries arise and where accountability deficits may emerge.

Adding a capacity-based classification of private actors to MLG shifts the analytical focus from formal authority to influence capacity (Table 4). It integrates private actors into MLG analysis, incorporates informal governance dynamics, and introduces a differentiated understanding of actor capacities. In doing so, MLG is transformed from a descriptive framework centred on institutional mapping into a more dynamic analysis of influence configurations. At the same time, this approach connects insights from power theory (Lukes, 2005) with actor-centred institutionalism (Scharpf, 1997) within a multilevel context.

Importantly, private actors are not territorially fixed. One defining feature of a capacity-based MLG framework is the possibility of vertical mobility, whereby actors strategically navigate across local,

regional, national, supranational, and transnational arenas to exploit favourable institutional contexts. Venue shopping allows actors to shift conflicts to governance levels where opportunity structures are more advantageous (Börzel, 1998; Beyers & Kerremans, 2012). Such cross-level manoeuvring reinforces the limitations of classification models tied solely to territorial jurisdiction and highlights the importance of incorporating cross-level strategic capacity into analysis.

Table 4. Analytical framework for refining MLG

Analytical dimension	Traditional MLG approach	DeCrises capacity-based approach
Main focus	Distribution of formal authority across levels	Distribution of influence across actors
Key units of analysis	Governance levels (EU, national, regional, local)	Actors across levels (public & private)
Treatment of governance	Institutional and territorial	Relational, multi-actor, and cross-level
Understanding of power	Derived from institutional position	Empirically traceable and capacity-based
Nature of embeddedness	Primarily formal and institutional	Formal and informal, including network-based and relational
Role of private actors	Participants within networks	Agents of influence with differentiated capacities
Dynamics of agency	Agency linked to relatively fixed institutional status	Agency is dynamic and shifts as influence, exposure, and capacities change
Analytical outcome	Mapping of competences	Explanation of who shapes outcomes and why

The recognition of private influence also raises concerns regarding legitimacy and accountability, particularly where informal power lacks direct democratic oversight. However, tracing influence mechanisms is a necessary precondition for assessing these normative implications. By redefining power as empirically traceable influence and introducing a classification model based on influence and exposure capacities, the DeCrises framework provides tools for advancing the analytical capacity of MLG. Integrating informal networks and private agency thus contributes to a more comprehensive and empirically grounded understanding of governance.

The theoretical implications of this approach are notable. First, it expands MLG beyond institutional-territorial mapping towards the analysis of governance as a dynamic field of interaction. Second, it reconceptualises power as relational and process-based, emerging from participation, expertise, strategic positioning, and sustained engagement. Third, it incorporates informal networks and non-hierarchical interactions as core explanatory variables. In this reconceptualised framework, MLG becomes capable of explaining not only where authority is located, but how governance outcomes are produced through multilevel, multi-actor processes.

In this way, the DeCrises capacity-based approach addresses one of the central shortcomings of MLG identified in previous sections – its limited explanatory and predictive power – by shifting the analytical focus from formal authority to empirically traceable influence. Traditional MLG, with its emphasis on mapping competences across governance levels, provides a descriptive account of institutional arrangements but offers limited insight into why some actors shape outcomes while others do not. By contrast, the DeCrises MLG framework introduces a relational and actor-centred

perspective that explains governance outcomes through variations in actors' capacities, including resources, access, expertise, and embeddedness. This allows for the identification of causal mechanisms linking actor positioning to policy influence, thereby strengthening explanatory power. Moreover, by conceptualising agency as dynamic rather than fixed, the framework enables more nuanced expectations about how actors may shift across positions under changing conditions, enhancing the analytical basis for conditional and context-sensitive prediction. In this way, the capacity-based approach transforms MLG from a predominantly descriptive framework into a more robust tool for explaining and anticipating governance dynamics.

2.5. Methodological approach: inductive case study analysis and process tracing

This report is based on inductive research approach, in which theoretical insights are developed through systematic engagement with empirical material (Creswell & Poth, 2018) rather than being fully specified in advance. While the analysis is informed by existing MLG literature, DeCrises refines the MLG framework seeking to extend the theoretical foundations of MLG by grounding them in observed governance practices. The inductive approach builds on the prior analytical work conducted in DeCrises D1.1. "A map of MLG with recommendations for just and inclusive climate and digital transitions in the EU" and its background report[1], which systematically mapped governance structures and gaps in four DeCrises case study countries – Finland, Latvia, Norway and Poland - using document analysis, policy review, and examination of EU infringement procedures as indicators of systemic stress in MLG system. Inductive reasoning in this context involves an iterative process between empirical observation and conceptual development (Timmermans & Tavory, 2012). Rather than testing predefined hypotheses, the analysis identifies patterns (Bryman, 2016) in actor agenda-setting effectiveness, interaction, and influence across governance levels, and uses these patterns to refine the conceptualisation of agency, power, and governance dynamics.

To operationalise this approach, the report combines comparative case study analysis with process tracing methodology, forming a qualitative research design. The empirical analysis is structured around four country cases complemented by EU-level perspectives. These cases provide variation in governance arrangements, administrative capacity, and institutional, socioeconomic and cultural contexts, allowing the identification of both common patterns and context-specific dynamics within EU's MLG. Rather than focusing on institutions, the study examines governance processes unfolding across multiple levels and involving diverse public and private actors, thereby linking theoretical questions of agency and power to empirically observable interaction patterns.

Case study methodology is particularly suited to analysing MLG systems, where governance outcomes emerge from interactions across multiple levels and actors rather than from hierarchical decision-making structures (Yin, 2018; George & Bennett, 2005). In this report, governance processes are treated as analytically bounded systems in which actors operate within specific institutional, political, and relational contexts. This allows the analysis to capture how influence is exercised in practice, considering both formal structures and informal dynamics. Importantly, this approach complements the mapping methodology used in D1.1, which focused on identifying

[1] Both available on DeCrises website: https://decrises.eu/

structural governance gaps through analysis of policy documents, legal frameworks, and institutional arrangements, as well as the systematic use of EU infringement proceedings as empirical indicators of coordination failures and implementation deficits across governance levels. By examining multiple cases, the study integrates contextual richness with comparative insight, enabling the identification of recurring patterns in agenda-setting, collaboration, and agency across governance levels.

Process tracing complements case study analysis by enabling the identification of causal mechanisms linking actor capacities to governance outcomes (Beach & Pedersen, 2013; George & Bennett, 2005). Rather than merely describing patterns of interaction, process tracing reconstructs the sequence of events and interactions through which influence is exercised. In MLG contexts, such mechanisms often involve access to decision-making arenas, agenda-setting strategies, coalition-building across levels, and the use of both formal and informal channels of influence. This mechanism-based approach is particularly important given the limitations of traditional MLG frameworks, which tend to map institutional competences without explaining how outcomes are produced. While D1.1 identified where governance gaps occur – particularly through the analysis of infringement procedures as signals of systemic stress – this report advances the study by examining how and why these gaps emerge through actor interactions and influence mechanisms.

Process tracing in this report relies primarily on expert interviews as a core source of evidence. This is methodologically justified by the nature of the research focus: many governance mechanisms central to MLG – particularly informal influence, early-stage agenda-setting, lobbying practices, and network-based coordination – are not directly observable in formal documents or institutional records. Interviews therefore provide access to insider knowledge of how decisions are shaped in practice, revealing mechanisms that remain invisible in formal institutional analysis. In this sense, the methodology complements rather than replaces earlier document-based analysis: whereas D1.1 relied on documents, legal, and media sources to identify structural governance patterns and gaps, the present report uses interviews to reconstruct the underlying causal mechanisms and actor-level dynamics that produce these observed outcomes. Rather than treating interviews as purely subjective accounts, the analysis interprets them as evidence of experienced and perceived influence mechanisms, which are systematically compared across cases to identify recurring patterns. This approach is consistent with qualitative research design and process tracing traditions that emphasise the reconstruction of causal mechanisms in complex governance environments (Beach & Pedersen, 2013).

DeCrises distinguishes between nominal institutional position and empirically traceable influence. Formal responsibilities, voting rights, or institutional mandates do not automatically constitute power. Instead, power is understood as relational and process-based, emerging from sustained engagement, strategic positioning, expertise provision, lobbying capacity, entrepreneurial initiative, and network embeddedness. Influence can be revealed and measured through observable participation in agenda-setting, drafting, negotiation, implementation, or regulatory shaping, regardless of whether the actor holds formal competences. DeCrises uses capacity-based classification to demonstrate that actors may derive influence (and thus become agents) from unique expertise (epistemic authority), entrepreneurial initiative (market-creating or innovation-driven agency), financial leverage, regulatory intermediation, lobbying proximity to decision-makers, or network centrality across governance levels.

The empirical analysis is based on 26 semi-structured expert interviews conducted between December 2025 and April 2026 across multiple levels of governance. The sample includes EU-level experts, national, regional, and municipal policymakers, representatives of business and professional associations, social partners, NGOs, local communities, and academic experts (coded list of interviewed experts is available in Annex A1). The sample is structured to capture both country-specific and cross-level perspectives: 19 interviews represent the four case-study countries (4 from Finland, 5 from Latvia, 5 from Norway, and 5 from Poland), while 7 experts provided cross-cutting or comparative insights not limited to a single national context. This design enables the situating of country findings within a broader EU's MLG perspective and supports cautious analytical generalisation beyond individual cases. The interviews were conducted using a common interview guide (Annex A2). All interviews were conducted with informed consent and analysed qualitatively using a combination of comparative assessment and thematic coding. The interview protocol was structured around four core analytical blocks – transparency and inclusiveness of EU's MLG, agenda-setting effectiveness of public and private actors, collaboration across governance levels, and agency and bottom-up enablement – which correspond to the analytical structure of Chapter 3. Within these blocks, experts were asked to comparatively assess and rate the effectiveness of key stakeholder groups – including EU institutions and Baltic Sea region's (BSR) organisations, national, regional and municipal authorities, social partners, business actors, professional associations, academia, NGOs, and local communities – in shaping governance outcomes, and to explain the enabling and disabling factors underlying these differences. Collaboration was examined through systematic assessment of the strength and quality of interactions between governance levels. In addition, experts were invited to identify governance gaps and reflect on how bottom-up actors could be better enabled within the MLG system.

Process tracing is applied to the collected data by reconstructing how actors respond to and shape governance processes along these dimensions. Specifically, the analysis traces how open the MLG system is to different actors (transparency and inclusion), how actors gain or lack access to decision-making arenas (agenda-setting), how they interact across governance levels (collaboration), and how they mobilise capacities to influence outcomes (agency). Analytically, the interview data are used to assess both influence capacity and exposure capacity of stakeholders. Influence capacity is derived primarily from experts' evaluations of which actors are able to shape agendas, frame problems, affect decisions, and influence implementation across governance levels, as reflected in agenda-setting and collaboration assessments. Exposure capacity is derived from experts' reflections on which actors bear the material, social, political, or administrative consequences of governance decisions. The interview questions – such as the comparative evaluation of transparency and inclusiveness, stakeholder effectiveness, assessment of cross-level collaboration, and identification of empowered, excluded, or marginalised actors – provide empirical entry points for identifying causal mechanisms of influence. Importantly, exposure is operationalised in material and relational terms rather than purely institutional ones: actors are treated as highly exposed when governance decisions significantly affect their responsibilities, livelihoods, or social conditions, even in the absence of formal recognition or institutionalised participation rights. This allows the analysis to capture asymmetries identified by experts, including situations where municipalities, local communities, or smaller organisations absorb substantial implementation burdens despite limited influence. In this way, process tracing allows the analysis to move from expert assessments to the reconstruction of governance dynamics.

The empirical analysis presented in Chapter 3 applies this combined methodological framework to examine transparency and inclusiveness of EU's MLG, actors' effectiveness in agenda-setting, patterns of collaboration across governance levels, and the distribution of agency among stakeholders. Through comparative analysis and process tracing, the chapter identifies how influence is exercised in practice, what are the enabling and constraining factors of it, and maps these findings onto the influence–exposure framework, thereby linking the theoretical model developed in Chapter 2 with empirical evidence. This allows for the classification of actors into analytically defined categories and for the identification of conditions under which actors transition from passive participants to effective agents of influence.

By combining inductive reasoning, comparative case studies, and interview-based process tracing, the report develops a methodologically coherent framework for analysing MLG as a dynamic, relational, and multi-actor system. This approach enables the study not only to describe governance structures, but to explain how influence is exercised, how agency emerges, and how governance outcomes are produced across complex multilevel settings.

For this report, several limitations should be acknowledged. First, the reliance on expert interviews as the primary source of evidence means that the analysis is based on perceived and experienced influence, rather than fully observable causal effects. While interviews are essential for capturing informal governance mechanisms, they may reflect partial or subjective perspectives. However, this limitation is mitigated by the broader DeCrises research design, in which this report builds on prior document-based and legal analysis conducted in D1.1 and is complemented by further empirical work in subsequent WPs, thereby ensuring cumulative triangulation across the project. Second, while the comparative case study design allows for analytically rich insights, the findings are intended to provide context-sensitive explanations rather than universal generalisations. Rather than aiming at statistical generalisation, the objective is analytical generalisation – identifying transferable mechanisms of influence and governance patterns that can inform both further empirical research within the DeCrises project and the development of policy recommendations. Despite these limitations, the chosen methodology provides a basis for identifying causal mechanisms of influence and for advancing a more explanatory, capacity-based understanding of MLG.

3. Empirical insights: actors' effectiveness, collaboration patterns, and agency in the EU's MLG

This chapter provides an empirical analysis of gaps in EU's MLG by applying the DeCrises capacity-based conceptual framework. The analysis conceptualises stakeholders as public and private actors operating within MLG. Supranational (EU, EEA, BSR), national, regional, and municipal institutions are considered as public actors, which are formally endowed with decision-making authority and implementation responsibilities. These are actors that hold institutional mandates, voting rights, or legal responsibilities within governance structures. Social partners, business sector, professional associations, academia, think-tanks, NGOs, local communities and grassroots activists are considered as private actors, which lack formal authority but may exert influence through expertise, resources, network embeddedness, and access to governance processes. They operate either through formal or informal governance channels, networks, or advisory structures. The distinction between public and private actors is analytical rather than hierarchical, as both groups may exercise agency depending on their capacity to shape outcomes.

In line with the DeCrises framework, agency is defined as the capacity to shape governance outcomes through influence, rather than as a function of formal institutional position. At the same time, the analysis does not normatively encourage public actors – governmental institutions at supranational, national, regional, and local levels – to act beyond their legal mandates. DeCrises assumes that public authority is exercised within established institutional and legal frameworks. Within these boundaries, public actors exercise agency through how effectively they use their formal competences – such as agenda-setting, coordination, and implementation – in practice. Formal status thus does not guarantee agency, nor does its absence preclude it. Accordingly, formal mandates are treated not as indicators of agency but as enabling conditions within which agency may or may not be exercised. Importantly, the report does not treat actions that go beyond public actors' formal role expectations as inherently positive or negative. Such practices are assessed empirically through their effects on governance outcomes, inclusiveness, legitimacy, and accountability. In some contexts, exceeding role expectations by public actors may enhance agency by enabling coordination, learning, or problem solving; in others, it may reinforce power asymmetries, weaken transparency, or raise accountability concerns – issues that need to be discussed in relation to informal governance and uneven capacity distributions.

3.1. Transparency and inclusiveness of the EU's MLG

Transparency and inclusiveness are core to the EU's MLG system because they are the key preconditions for agency. Transparency and inclusiveness are necessary to ensure democratic legitimacy, effectiveness of decision-making, coordination of policies across levels, and the social acceptance of far-reaching climate and digital transition measures whose costs and benefits are unevenly distributed. This section examines how experts assess transparency and inclusiveness in EU's MLG, both in general terms and across the case study countries, and concludes by identifying common transparency and inclusion gaps in the EU's MLG.

Overall, experts describe transparency and inclusiveness as formally embedded in the EU's MLG but unevenly experienced in practice. They agree that the EU has developed comprehensive procedural mechanisms – such as access-to-documents rules, freedom-of-information obligation, impact assessments, and mandatory stakeholder consultations, which are embedded within the

EC procedures. However, these mechanisms primarily benefit actors with sufficient resources and time to navigate highly technical, dense, and fast-moving policy processes.

Inclusiveness is thus strongly conditioned by capacity rather than formal access. Experts stress that formal transparency does not equal effective accessibility. Information is often voluminous, technical, and released at stages where meaningful influence requires constant monitoring and specialised expertise. As a result, transparency primarily benefits actors already embedded in EU policy environments, while smaller, less resourced stakeholders struggle to follow processes in real time. Participation opportunities are most effectively used by European-level umbrella organisations, professional lobby groups, and well-resourced stakeholders operating continuously in Brussels-based networks. As one expert noted on NGO's participation in decision-making processes, "it always matters whether there is a strong international NGO on the issue, how many national members it includes, and how much time and capacity those national actors can devote - there is no capacity" (G-NGO2[2]). National NGOs, municipalities, local communities, and socially vulnerable groups (e.g. seniors) face higher cognitive, organisational, and financial entry barriers. In this context, participation risks remaining symbolic - serving as consultation or "steam-release" (G-NGO2) mechanisms detached from informal agenda-setting spaces where outcomes are effectively shaped.

A recurrent pattern observed in the interviews is that the capacity gap is particularly pronounced in the context of the digital transition, where inclusiveness becomes closely tied to actors' ongoing ability to update technological skills and preparedness. The need to continuously absorb new digital tools, data requirements, and regulatory frameworks interacts with parallel pressure to demonstrate progress towards environmental goals, further intensifying capacity demands and reinforcing participation asymmetries. These challenges are further intensified by the cross-cutting nature of the twin transition, which spans multiple Directorates-General and policy domains, raising coordination demands and entry barriers simultaneously. Finally, experts point to a vertical asymmetry: the further actors are from EU institutions, the weaker inclusiveness becomes, as limited feedback on how inputs are used generates disengagement and scepticism towards participatory governance, particularly in peripheral or resource-constrained settings.

3.1.1. Assessment of transparency and inclusiveness of EU's MLG across country cases

Finland

Finnish experts describe EU's MLG as formally transparent but practically difficult to access. At EU level, decision-making procedures, documents, and parliamentary debates are publicly available. From a formal and procedural perspective, EU institutions – particularly the European Parliament – are highly open. Committee meetings are publicly accessible, can be followed online, and are linguistically inclusive, allowing citizens to listen to plenaries and committee debates in their own languages. However, effective transparency remains conditional on insider knowledge, continuous monitoring, and familiarity with EU institutional logics. While information is not hidden, its volume, technicality, and fragmentation make meaningful access resource-intensive and uneven. The Council is seen as among the least transparent bodies due to closed-door ministerial negotiations, where public debates reveal little substantive bargaining. The Commission, by contrast, is described as formally opaque yet selectively accessible. Experts

[2] See the explanation of experts' codes in Annex A1.

emphasise that formal openness does not necessarily translate into transparent decision-making, as many substantive choices are shaped outside publicly visible arenas. This dynamic is often described as the "Brussels bubble," where informal interaction, lobbying, and information exchange dominate, and where drafts may be strategically leaked to test reactions. Transparency thus becomes conditional: it is "open and transparent if you are an insider" (FI2-R).

Inclusiveness follows a similar pattern. Governance processes are described as inclusive for actors operating within Brussels-based environments – such as EU institutions, national representations, European umbrella NGOs, and professional lobbyists – but far less accessible for national NGOs, municipalities, and local communities. Åland illustrates this asymmetry particularly clearly: despite its formal autonomy, the region lacks direct access to EU decision-making arenas and must rely on national channels, reinforcing a perception that transparency and inclusiveness diminish sharply beyond the Brussels and member state core. In addition, participatory mechanisms tend to be concentrated at EU level and mediated through European-level organisations, leaving national and local actors with limited visibility into how inputs are processed or translated into decisions.

At national and municipal levels, EU governance is often perceived as distant from everyday political life. EU-related issues rarely feature prominently in municipal political debate, which remains focused on immediate local responsibilities. As a result, EU engagement is frequently delegated to civil servants rather than elected representatives, weakening democratic linkage between EU policymaking and local political accountability. Experts note that citizens feel closest to the local level, and when a problem or challenge arises, they tend to hold local authorities accountable, even when the issue did not originate there and is the responsibility of national or EU-level actors. A good example is Åland, where citizens often hold the regional government responsible for outcomes shaped at the EU level, despite Åland's limited influence over those decisions.

In sum, the Finnish experts describe a governance system, which is **transparent in procedural but not practical terms**, **and inclusive primarily for those who "know the game", while remaining only weakly inclusive for actors lacking resources, proximity, or insider knowledge.**

Latvia

Latvian experts view transparency and inclusiveness of EU's MLG as formally ensured but substantively weak, specifically also for the twin transition. EU-related governance in Latvia is seen as extremely complex, poorly communicated, and nearly impossible for ordinary citizens to follow, creating a disconnect where residents see the EU as distant and unapproachable. Policymaking instead appears to flow top-down, with national and municipal institutions frequently planning according to what EU funds allow, rather than community needs, generating a sense of detachment and loss of agency for stakeholders without insider access. A more policy-specific critique highlights that the twin transition – especially the green transition – has been insufficiently transparent and socially exclusive, dominated by those who expected economic gains while ordinary citizens were left without clear explanations, consultation, or cost transparency. Key societal questions – like whether individuals can afford greener consumption patterns – were avoided, leading to mistrust and weak legitimacy of the transition agenda. Experts underline that inclusiveness is highly uneven: business groups, professional associations, and established

public institutions dominate, while NGOs, communities, socially vulnerable groups, and bottom-up civic actors remain structurally excluded or included only at late procedural stages.

Experts note that, although consultations are required by law and carried out formally, they are often manipulated through timing, information overload, or late delivery of documents, preventing meaningful feedback; inclusiveness depends heavily on willingness of individual officials rather than institutions or systems. While EU-level processes include NGOs, real participation at a national level is limited by highly restricted access to Latvia's national positions in the EU and extremely short deadlines, sometimes as little as two hours to comment, effectively reducing transparency in practice. The link between citizens and the EU is weak, even though Latvian citizens are often knowledgeable about their thematic field and sometimes reference EU directives in local digital democracy initiatives.[3] However, the national level sometimes deflects responsibility by claiming certain issues fall solely under EU competence, which blocks citizen initiatives from progressing. Disinformation and manipulation are also common barriers to transparency.

Together, the interviews reveal **a governance system that is procedurally inclusive but substantively exclusive**, with structural, informational, and capacity-related barriers limiting real participation and leaving local communities, smaller NGOs, and activists without meaningful pathways into agenda-setting.

Norway

All interviewed experts emphasised that Norway's experience of EU-related MLG emerges as formally transparent but substantively inaccessible, with significant variation across governance levels. At the EU and national level, transparency is technically high because EU documents, consultations, and procedures are publicly available. However, Norway's non-member status in the EU creates a legitimacy and transparency deficit: the EU acts as a strong but distant actor whose directives shape Norwegian policy without Norwegian institutions having voting rights. This distance produces low public understanding of decision-making and reinforces opposition. At the national level, transparency is mediated through national ministries that translate EU directives into Norwegian law. Experts observe strong administrative competence but highlight that national authorities still struggle with the volume, complexity, and technical nature of EU-driven transitions, leading to selective inclusiveness where only well-resourced domestic actors can follow developments. This complexity was also reflected in the empirical research process, as the study encountered difficulties in recruiting interview participants from subnational levels in Norway; several potential interviewees indicated that they did not consider themselves sufficiently familiar with EU-related governance processes to contribute meaningfully.

At regional and municipal levels, transparency becomes even more uneven. Experts stress that municipalities face information overload and lack the expertise needed to interpret EU rules, making transparency inaccessible in practice. Regional authorities, though institutionally strong, experience fragmented mandates and varying levels of maturity across regions. Higher-level EU and national decisions often lack contextual awareness of regional realities, reducing the meaningfulness of participation for lower governance levels. Well-resourced actors dominate because they can enter processes earlier and track developments continuously.

[3] Law initiatives, which are submitted on Latvia's civic-participation platform manabalss.lv.

At the local-community level, inclusiveness is the weakest. Transparency exists for certain stakeholders, such as policy professionals, experts, or established institutional actors, who already possess the knowledge and capacity to navigate complex governance structures, while for broader publics the process is far less transparent because understanding how decisions are made requires substantial background knowledge and effort that is rarely supported by governance systems themselves. Participation mechanisms often function symbolically and do not lead to real empowerment and influence. Experts further note that the limited capacity of municipalities to exert influence is frequently overlooked even by the municipalities themselves, a pattern that may be linked to generally high levels of trust in national public authorities in Norway.

In sum, governance is described as **transparent formally but embedding transparency deficit practically**, with **inclusiveness declining sharply from national to local levels**, with top-down decision-making dominating twin transition governance and only well-resourced actors positioned to engage early. However, this pattern should not necessarily be interpreted as an intentionally exclusionary design. Rather, it may also reflect a deliberate and broadly accepted governance arrangement, grounded in generally high levels of trust in public institutions in Norway. Where such trust is sustained and local communities perceive existing arrangements as legitimate and satisfactory, reduced contestation or mobilisation may not signal governance failure, nor necessarily imply a need for corrective intervention.

Poland

Across Polish interviews, MLG is described as **procedurally transparent but substantively inaccessible**, particularly for local, civic, and smaller economic actors. While the EU offers consultations, stakeholder forums, and publicly available documentation, meaningful agenda-setting takes place earlier within expert groups, ministerial negotiations, and large institutional networks. As a result, many actors – especially small municipalities and civic groups – engage only reactively rather than shaping policies from the outset. This gap is reinforced by highly technical policy language and a mismatch between abstract EU-level debates and local, problem-oriented realities. So, transparency is widely characterised as informational rather than deliberative, meaning that while documents are available, their logic, sequencing, and implications remain difficult for non-expert actors to understand or influence.

Experts underline that Poland meets EU transparency and participation standards in legal terms, yet fails to integrate policies into a coherent process that links climate, energy, digitalisation, land use, and social consequences. Citizens and local stakeholders can access information, but cannot easily grasp how sectoral decisions interact territorially or why specific trade-offs are made. From a spatial planning perspective, EU-driven and national policy debates operate at an abstract, technocratic level, while local actors engage with concrete, place-based problems, resulting in a structural disconnect between levels.

Experts highlight that from the viewpoint of municipalities and NGOs the twin transition governance process is non-transparent, not because information is hidden, but because the system is highly complex and fragmented. There is a need for “translators” or intermediaries capable of interpreting EU governance logics and long-term transition objectives for local actors. In the absence of such intermediaries, municipalities tend to pursue short-term, opportunistic projects aligned with funding eligibility rather than strategic, integrated transition pathways. To improve transparency and systematic thinking, expert suggests making scientific results of Horizon projects more accessible to those that implement the twin transition.

Inclusiveness follows a similar pattern. Experts agree that participation mechanisms exist and are legally guaranteed but are late-stage and reactive, rarely shaping agendas upstream. There are systematically excluded groups: youth, SMEs, independent planning professionals, energy cooperatives, and rural communities. Although digital tools expand formal access to consultations, they do not reduce capacity gaps across municipalities and stakeholders, digital literacy differences, or institutional confidence asymmetries between actors. As a result, **inclusiveness remains uneven and strongly stratified along resource and expertise lines.**

3.1.2. Perceived gaps of transparency and inclusiveness in the EU's MLG

Across the case studies, experts identify **gaps between formal transparency and practical accessibility in EU's MLG**. While EU procedures, documents, and consultations are formally open and legally compliant, transparency is widely perceived as informational rather than deliberative: information is available, but often too technical, fragmented, or poorly contextualised to enable meaningful understanding or influence by non-expert actors. As a result, transparency benefits those with insider knowledge, stable institutional presence, and sufficient resources to monitor processes continuously.

A second, closely related gap concerns **capacity-based inclusiveness**. In all countries, participation is described as formally guaranteed but substantively uneven. Agenda-setting tends to occur upstream – within expert groups, ministries, or institutional networks – while broader participation remains reactive, late-stage, or symbolic. Municipalities, local communities, NGOs, and socially vulnerable groups face structural barriers, including limited expertise, time constraints, information overload, and weak feedback on how their input is used.

Experts also point to **vertical asymmetries in EU's MLG**. Inclusiveness and transparency diminish with distance from EU institutions: national actors are better positioned than regional and local ones, while local communities often experience EU governance as distant, technocratic, and weakly accountable. This gap is particularly visible in complex policy areas such as the twin climate and digital transition, where cross-sectoral coordination and technical language further raise entry barriers.

3.2. Actors' effectiveness in agenda-setting

Effectiveness is a central concept of the EU's MLG because it determines whether actors at different levels are able not only to participate, but to meaningfully influence policy agendas, decisions, and implementation outcomes – whether actors can be agents in the understanding of DeCrises. In the context of the twin transition – characterised by far-reaching, cross-sectoral, and long-term policy choices – effectiveness becomes particularly critical, as uneven influence may reinforce existing power asymmetries across levels and actors. This section examines how experts, both in general terms and across the case study countries, assess the effectiveness of multilevel actors in EU's MLG, understood as their capacity to shape decisions at different stages of the policy process. The chapter concludes by ranking the actors by effectiveness, and outlining commonly perceived promoting and hindering factors of actors' agenda-setting effectiveness.

Overall, agenda-setting effectiveness in EU's MLG is characterised as highly centralised, expertise-driven, and institutionally concentrated. The EC is identified as the primary agenda setter due to its right of initiative, control over legislative drafting, and strong analytical capacity grounded in impact assessments and evidence-based policymaking. While member states

exercise significant influence through the European Council and the Council of the EU, agenda initiation remains largely Commission-led, allowing it to define problems, delimit policy options, and structure downstream negotiations.

Experts stress that agenda-setting effectiveness depends less on formal consultation rights than on early access, sustained presence, and strategic capacity. As one expert highlights:

> "Business actors, business associations usually have much more resources to get access to EU officials or EU institutions. Not because of legal things, not because of bribery or something like that, but just because presence in Brussels or presence at meetings, requires time. It requires money. It requires resources that NGOs do not have the same way as business representatives do" (G-A).

Therefore, actors able to monitor policy pipelines and engage throughout the process – such as European umbrella organisations, professional lobby groups, and large business associations – are far more effective than national NGOs, municipalities, and local communities lacking permanent representation or analytical resources in Brussels.

BSR level is treated as not visible or low in formal effectiveness in agenda-setting and implementation, lacking binding authority, resources, or defined responsibilities within the EU's MLG chains. At the same time, experts position BSR organisations as potentially enabling intermediaries, mainly contributing through information exchange, networking, and soft coordination rather than decisive governance action.

In the twin transition, economic reasoning tends to dominate agenda-setting. Policy proposals framed in terms of competitiveness, costs, investment, or industrial strategy tend to gain traction more easily than arguments based on environmental protection, social justice, or long-term public goods. As a result, actors representing economic interests – especially business sectors – enjoy a structural advantage, while other stakeholders must translate their concerns into economic language to be heard.

Informal and political dynamics also constrain effectiveness. Experts note that crisis, political priorities, and informal lobbying can narrow agendas or accelerate decision-making, weakening the role of formal evidence-based input and reducing the influence of academia and civil society, whose engagement is typically slower and cumulative. In weaker governance contexts, national and municipal perceptions and capacity gaps further undermine agenda-setting. Where administrative competence, monitoring, and learning mechanisms are underdeveloped, EU-level agendas may be formally adopted but selectively implemented or reframed domestically. As one expert explained, in countries, which experienced the Soviet ruling, "planning itself was a forbidden word. Planning meant socialism" therefore the planning requirements of the EU were referred to "as strategies, concepts and so on. Planning as such, however, remained essentially taboo" (G-M_PA). Therefore, in post-Soviet contexts, governance systems may formally incorporate planning and participatory mechanisms, but often lack key components of the policy cycle, such as monitoring, evaluation, and feedback loops. Yet, as one expert explained:

> "Without monitoring and evaluation, it is impossible to improve subsequent plans. As a result, plans often simply remain on paper. This is what is meant when people say that there are thousands of strategies and plans and that they are completely useless" (G-M_PA).

Similarly, participatory processes may be conducted formally, yet without substantive engagement, as stakeholders are sometimes involved primarily to fulfil procedural requirements. Such patterns help explain why formal inclusion does not necessarily translate into influence: where governance cycles are incomplete and participation is procedural, actors lack the conditions needed to convert involvement into agency, reinforcing asymmetries identified in the MLG framework. Large inflows of EU funding combined with limited national monitoring can even distort agenda-setting incentives, reinforcing oligarchic or informal power structures rather than advancing collective transition goals.

Experts pointed to the conditions under which governance gaps could be addressed, particularly in relation to the role of EU-level frameworks. As one expert argued, effective transition governance requires not only formal strategies, but a "genuinely fair interface" between the EU and Member States, in which expectations are clearly defined and linked to monitoring and evaluation:

> "[The EU should] establish a genuinely fair arrangement, a kind of fair interface. An interface in which it would be completely clear that Europe is not interested only in formal strategies, but in actual results. […] Here is the money, here are the rules and conditions, here is monitoring and here is the evaluation of results" (G-M_PA).

In this view, instruments such as the Recovery and Resilience Plan represent a shift towards more explicit conditionality and result-oriented governance. Rather than expanding bureaucratic control, such arrangements were seen as a way to create clear expectations and accountability, thereby strengthening trust and legitimacy.

3.2.1. Evaluation of actors' effectiveness in EU's MLG across country cases

Finland

At EU level, the EC is consistently identified as the dominant agenda-setter. Its right of initiative, control over legislative drafting, and extensive technical and analytical capacity give it a structurally strong position in defining policy priorities and framing regulatory options. While the European Parliament contributes to political orientation and public debate, experts question how systematically the parliamentary input influences Commission policy design, reinforcing perceptions of a Commission-centred agenda cycle. Member States retain significant power through the Council, where national governments negotiate compromises and can slow or redirect ambition; several experts note that national positions sometimes act as constraining forces on EU-level climate ambition rather than drivers of it.

At national level, Finnish ministries play a decisive mediating role. They translate EU agendas into domestic policy frameworks, coordinate national positions, and manage implementation. This position grants them agenda-filtering power, even when they do not define EU priorities themselves. National ministries are also the primary gatekeepers for subnational actors seeking to influence EU-related agendas, reinforcing vertical dependency. In this structure, agenda-setting is not only about initiating proposals but also about deciding which EU priorities become politically salient domestically.

Subnational actors – regions and municipalities – have limited agenda-setting capacity. While they can influence implementation choices and shape how policies are operationalised locally,

they rarely participate meaningfully in upstream agenda definition. As one expert notes, there are capacity gaps that hinder subnational involvement: “at the national level there is a lot of emphasis in our legal side for this multi-level governance, which sounds on paper super good. But in reality, it doesn’t happen without some resources put into that joint thing” (FI1-N1). Cities are recognised as possessing significant potential for emissions reduction and innovation, yet they are structurally under-included in national agenda-setting processes, particularly in instruments such as the Recovery and Resilience Facility, where programming remains strongly national. Åland exemplifies this structural constraint: despite being directly affected by EU climate, environmental, fisheries, and infrastructure policies, the autonomous region lacks formal agenda-setting access at EU level and must rely on Finland’s national representation, resulting in high exposure to policy decisions combined with low influence in co-creating them.

Private actors demonstrate highly differentiated agenda-setting effectiveness. Large business actors and sectoral interest groups are widely regarded as among the most effective agenda-setters, due to substantial lobbying resources, long-term presence in Brussels, and ability to shape policy narratives (e.g. on Nature restoration law). In some sectors – most notably forestry and land use – experts describe close alignment between business interests and national administrations, enabling joint framing strategies that significantly affect climate policy outcomes. By contrast, SMEs have far weaker agenda-setting capacity, reflecting limited resources and access.

Social partners occupy a distinctive position in Finland. Their agenda-setting influence is strongest in policy domains where their involvement is institutionally mandated, particularly employment and working-life regulation. In these areas, their participation is systematic and embedded in national responses to EU initiatives. However, their influence remains sector-specific and does not extend broadly into cross-cutting climate or digital agenda-setting.

Academia and think tanks contribute primarily as long-term agenda shapers rather than immediate political actors. Their impact operates indirectly through research, impact assessments, and cumulative evidence-based framing, often with significant time lags. As one expert illustrated, referring to Mario Draghi’s report on EU competitiveness, which drew heavily on academic and think-tank input: “Somebody did a study that was brought to the attention of Mario Draghi’s team, who brought it to the attention of Mario Draghi, who brought it to the attention of the Commission” (FI2-R). Research funded and integrated into EU programmes is more likely to shape agenda narratives than nationally funded research, even when the latter is contextually relevant.

NGOs, local communities, and activists are typically described as issue-raisers rather than agenda-setters. While civic mobilisation can occasionally influence political debate – especially when it captures public attention or aligns with parliamentary actors – these cases are rare and contingent. Structural barriers such as distance from Brussels, limited institutional capacity, and reliance on European-level umbrella organisations constrain their ability to shape agendas systematically. Local communities are identified as the least effective agenda-setters, despite being among the most affected by policy outcomes.

In sum, agenda-setting effectiveness in Finland reflects a hierarchical MLG structure, where formal openness coexists with strong resource- and expertise-based filtering. Agenda-setting power is concentrated among actors able to operate continuously within EU and national policy arenas, while territorially rooted and civic actors remain structurally marginal in agenda formation.

The factors promoting and hindering multilevel actors' agenda-setting effectiveness in the EU's MLG are summarised in Table 5.

Table 5. Factors promoting and hindering agenda-setting effectiveness (Finland)

Factors promoting agenda-setting effectiveness	Factors hindering agenda-setting effectiveness
• Right of legislative initiative and agenda control by the EC • High technical expertise, data access, and analytical capacity within EU and national institutions • Institutionalised role of Member States in the Council • Strong lobbying resources and long-term presence of large business actors • Institutionalised involvement of social partners • Evidence-based policy orientation • Occasional high-visibility civic mobilisation	• Strong centralisation of agenda-setting at EU and national levels • Distance from Brussels decision-making arenas • Asymmetry between large corporations and SMEs • Sector-specific reach of social partners, limiting influence beyond labour-related agendas • Structural exclusion of NGOs, local communities, and regions from early agenda-definition stages • Autonomous regions such as Åland lacking formal agenda-setting access

Latvia

In Latvia, agenda-setting effectiveness is highly uneven across stakeholders, consistently favouring actors with resources, lobbying skills, or institutionalised access. Business organisations and professional associations are seen as the most effective stakeholders, as they know the political "entry points," maintain close links to ministries, and can influence decisions early in the process – often securing funding for weakly justified projects due to their structural advantage. In contrast, NGOs and local communities join only at the late stages of EU-funds programming, when documents are largely fixed and only minor adjustments are possible. Experts note that EU institutions hold structurally embedded power, while certain regional or professional bodies can influence policies when equipped with capacity and funding. Social partners and business actors are effective only when mobilised, and their engagement is often sporadic or interest-driven, rather than systematic. Factors promoting agenda-setting influence include access to early planning stages, strong networks, technical expertise, and the ability to translate interests into the bureaucratic language of EU programming. Factors hindering influence include fragmentation (especially among NGOs), lack of understanding of governance processes, limited capacity for sustained engagement, and highly formalistic consultation mechanisms that favour already empowered actors (Table 6).

Experts describe a landscape where agenda-setting power is concentrated among large, well-resourced actors, while smaller NGOs and communities remain at the margins. At the EU level, the most powerful countries and large professional associations – especially farmers' groups –

have significant agenda-setting capacity because of strong networks, financial resources, and long-established lobbying structures. Smaller states like Latvia are seen as less influential in agenda-setting due to lack of decision-making authority and resources. Individual organisations have little to no weight in the EU-level decision-making unless they are part of broader, EU-level networks. This dynamic is further illustrated by expert accounts highlighting how smaller Member States may attempt to increase their influence through collective positioning, yet face structural constraints when such coordination fails to materialise. As one expert noted:

> "We always promised that we would do everything required. […] However, in the case of the Transport Energy Law, there were ongoing hopes that a kind of regional non-compliance group would emerge - based on the idea that if many countries failed to comply, there would be no consequences. It was like assuming that if the whole class skipped the lesson, no one would be punished. In the end, however, such a non-compliance group did not materialize; many countries eventually agreed, and there was no longer a critical mass to resist" (LV-NGO2).

National institutions sometimes manage to defend their interests, however, often lack clear and articulated positions. Instead, they tend to focus on absorbing EU funds rather than shaping policy content. The planning regions are passive and ineffective, while academia and think-tanks contribute ideas but seldom shape policy directly. NGOs' agenda-setting power is further constrained by limited capacity to follow complex processes or to understand institutional pathways at EU level. Without alliances or networks, their influence is extremely limited. By contrast, business lobbies have strong, sustained influence – illustrated through their success in shaping EU regulation on hazardous substances, where NGO advocacy has failed to achieve changes for over a decade. Experts consider local communities and climate-oriented activists relatively weak in Latvia, pointing to the anti-wind-farm movement as one of the few highly activated groups – often opposing rather than proposing policy directions. Business lobbying remains the most effective agenda-setting force, especially as the EU shifts towards competitiveness and deregulation, a shift experts attribute partly to business pressure.

Table 6. Factors promoting and hindering agenda-setting effectiveness (Latvia)

Factors promoting agenda-setting effectiveness	Factors hindering agenda-setting effectiveness
• Early access to policy processes • Strong lobbying networks • Adequate financial and human resources • Ability to translate interests into EU-compatible language	• Fragmentation and limited capacity • Poor communication from national institutions • Complex and opaque processes • Short consultation windows • Weak local-to-national coordination

In sum, Latvian experts observe that agenda-setting is dominated by actors with significant resources and institutional access, while civil society influence depends on networks, capacity, and clarity of governance processes. The factors promoting and hindering multilevel actors' agenda-setting effectiveness in the EU's MLG are summarised in Table 6.

Norway

The interviewed experts reveal structurally uneven agenda-setting power in Norway, shaped by capacity, position within governance networks, and Norway's EEA relationship with the EU. A central insight that emerges across experts' interviews is that the actors who shape agendas most effectively are those who enter early, possess the resources to follow complex EU–EEA developments, and can maintain continuous engagement across governance levels (Table 7). For example, business organisations and lobbyists influence debates before policy ideas reach public consultations. Their Brussels presence, legal expertise, and strategic anticipation of EU developments allow them to frame transition debates in ways that ripple downward through the Norwegian system.

Large NGOs are described as exerting a comparable level of influence, largely due to their extensive networks and strong connections with national-level actors. Experts note that such NGOs may be actively invoked within national debates to introduce or legitimise alternative perspectives. These NGOs are typically headquartered in major urban centres and maintain close links with research institutions and the industrial sector, further reinforcing their capacity to engage effectively within multilevel policy processes.

Similarly, social partners (especially trade unions) hold structural power in Norway's corporatist model, shaping initial problem framings and the boundaries within which twin transition policies are negotiated. Yet their influence becomes more uneven when transitions cut across specialised fields such as energy markets or digitalisation. In these areas, unions often enter discussions too late, after technical foundations have already been set, forcing them into defensive positions rather than proactive agenda-shaping.

National ministries are also seen as highly influential, but their power is described as situational and bounded. National institutions can act swiftly when political will is present, yet are often slowed by bureaucratic routines, capacity mismatches, and competing priorities. Their agenda-setting influence depends heavily on the issue area and on internal clarity of Norway's national position. In areas guided by EU directives, national agencies are powerful conduits – but their sovereignty is limited, as Norway cannot influence upstream decisions in Brussels.

In contrast, regional institutions and municipalities struggle to participate meaningfully in upstream agenda formation. Municipalities often do not know how to track EU developments, let alone anticipate them. The complexity of EU documents, lack of staff time, and limited legal expertise mean municipalities are pulled into transitions reactively, shaped largely by national guidance rather than shaping agendas themselves. Municipal effectiveness therefore varies sharply with local leadership, administrative culture, and the presence of dedicated staff.

Private knowledge actors – especially universities and think tanks – play an ambivalent role. While academic institutions increasingly appear in EU-funded projects and consultation exercises, their influence depends on whether policymakers choose to listen to them. Social science contributions, in particular, remain undervalued relative to engineering or economic expertise, limiting their practical agenda-setting power despite formal inclusion.

The weakest in agenda-setting are local communities, activists, and smaller NGOs, whom experts consistently describe as structurally excluded. Groups such as youth, migrants, low-income households, and indigenous communities "lack representation, access, or recognition" (NOA1)

making their concerns largely invisible upstream Even where participatory spaces exist, they often function symbolically: communities may be invited to workshops, but their input rarely alters course trajectories. Local stakeholders therefore remain reactive, mobilising mainly in protest – such as in wind energy conflicts – rather than in early deliberation.

In sum, Norwegian experts reveal a governance landscape in which agenda-setting is dominated by a narrow set of well-resourced actors, shaped by early access, strategic positioning, and institutionalised roles. Smaller, less resourceful, and more distant actors remain consistently reactive, with little influence over the upstream phases where transition goals and pathways are defined. The factors promoting and hindering multilevel actors' agenda-setting effectiveness in the EU's MLG are summarised in Table 7.

Table 7. Factors promoting and hindering agenda-setting effectiveness (Norway)

Factors promoting agenda-setting effectiveness	Factors hindering agenda-setting effectiveness
• Early-stage access to EU decision processes • Strong lobbying networks and technical expertise • High administrative capacity	• Norway's lack of voting rights in the EU • Insufficient municipal and NGO capacity • Overly technical and complex transition frameworks • Structural preference for well-funded actors

Poland

Agenda-setting in Poland's twin transition is characterised as highly hierarchical and structurally asymmetric, with influence concentrated among actors possessing regulatory authority, financial leverage, or advanced institutional know-how. Polish experts concur that EU institutions exercise decisive agenda-setting power by defining binding frameworks, targets, and funding instruments that cascade downward through national and subnational governance. The Council of the EU is where Polish interests are negotiated, coalitions are formed, and compromises are reached, making national institutions decisive in steering the transition's pace and direction. In practice, the national level is a critical arena of contestation, because energy and power remain state competences. National ministries act as key gatekeepers, translating EU priorities into domestic policy, programming, and regulation, often in a compliance-driven and funding-dependent manner rather than through integrated strategic coordination across sectors such as energy, climate, digitalisation, and spatial planning.

The business sector is identified as one of the most effective agenda-setting actors, though with sharp internal differentiation. Large energy companies, infrastructure firms, construction actors, and technology providers exert strong influence through sustained lobbying, legal expertise, early access to deliberative arenas, and the ability to present "ready-made solutions" to policymakers. Their influence is further strengthened by the technocratic framing of transition policies, which privileges investment-ready and economically articulated proposals. Smaller firms and SMEs, by

contrast, are structurally marginalised, lacking representation, time, and expertise to follow complex policy processes.

Subnational actors show uneven effectiveness. There is a distinctive internal differentiation within Poland: Marshal's Offices (NUTS-2 regions) are described as relatively powerful agenda-shapers due to their role in managing regional operational programmes and EU funds, while counties (*powiats*) are assessed as largely ineffective. Although municipalities hold formally strong spatial-planning competences, their agenda-setting influence is largely indirect and project-based, as funding criteria and national regulatory frameworks pre-structure local choices. Municipalities influence agendas mainly indirectly – through project pipelines and planning decisions – but remain constrained by national frameworks and funding logic. This reflects a structural asymmetry in Polish MLG, emphasized by one expert: "Multi-level governance remains formally structured, but practically asymmetric — implementation responsibility lies locally, while decision-making power remains centralised" (PL-B1).

Table 8. Factors promoting and hindering agenda-setting effectiveness (Poland)

Factors promoting agenda-setting effectiveness	Factors hindering agenda-setting effectiveness
• EU-level strategic frameworks and binding priorities that structure national agendas and funding logic • Strong agenda-setting and gatekeeping power of national ministries • Financial leverage, investment capacity and lobbying strength of major business actors • Strong coordinating and funding role of Marshal's Offices (regional level)	• Regulatory and administrative complexity limiting participation of smaller actors • Fragmentation of policies across sectors (energy, climate, digitalisation, spatial planning) • Concentration of influence among central institutions and large, investment-ready corporate actors • Asymmetry between large companies and SMEs in representation and access • Late-stage, procedural consultations that exclude local and civic actors from agenda-setting • Limited municipal capacity and insufficient expertise to shape upstream decisions • Weak structural access of NGOs, youth groups, local communities and energy cooperatives to decision cycles

Polish experts agree that NGOs, local communities, youth groups, energy cooperatives, and grassroots initiatives are the least effective agenda-setters. They enter processes late, lack

access to early drafting stages, and face technical and administrative entry barriers. Youth actors are particularly excluded: although they generate ideas and will bear long-term consequences, they are positioned primarily as awareness-raising "target groups" rather than as co-designers of transition pathways.

Experts further highlight that the absence of effective intermediaries or "translators" capable of linking EU governance logics, scientific knowledge, and local implementation weakens agenda-setting from below. In the absence of such mediation, municipalities and civic actors tend to pursue opportunistic, short-term projects aligned with funding eligibility rather than coherent, territorially integrated transition strategies.

In sum, agenda-setting influence in Poland's twin transition is concentrated among EU institutions, national ministries, and large, well-organised business actors, while actors closest to territorial impacts – SMEs, municipalities, counties, NGOs, youth, energy cooperatives, and grassroots initiatives – remain structurally constrained. The factors promoting and hindering multilevel actors' agenda-setting effectiveness in the EU's MLG are summarised in Table 8.

3.2.2. Summary of actors' perceived effectiveness in agenda-setting

Overall, experts characterise actors' agenda-setting effectiveness in EU's MLG as unevenly distributed and structurally stratified.

The actors perceived as most influential are, first and foremost, **EU institutions**, particularly the EC. Its right of initiative, control over legislative drafting, and strong analytical and evidence-producing capacity place it in a dominant agenda-setting position.

Member States, acting through the Council of the EU and the European Council, also exert substantial influence by negotiating compromises and shaping the pace and ambition of EU policy, while **national ministries** function as key gatekeepers that translate EU priorities into domestic regulation, funding programmes, and implementation frameworks.

Beyond public authorities, **large business actors and sectoral interest groups**, especially in energy, infrastructure, construction, and technology, are widely seen as highly effective due to their lobbying resources, legal expertise, sustained presence in Brussels, and ability to align proposals with dominant economic and competitiveness narratives.

European-level umbrella organisations and professional associations further benefit from continuous monitoring of policy pipelines and early engagement.

Social partners are influential where their role is institutionally embedded (e.g. in labour policy), though largely within sector-specific domains.

By contrast, the least effective actors across all cases are **local communities (including indigenous people), grassroots initiatives, youth, SMEs, and smaller NGOs**, despite being among those most affected by policy outcomes.

Municipalities and regions are generally perceived as implementation-focused actors with limited influence over agenda-setting, particularly smaller or peripheral ones.

Academia and think tanks occupy an intermediate position: while they shape long-term narratives through research, data and impact assessments, their influence is indirect, cumulative, and dependent on political uptake rather than decision authority.

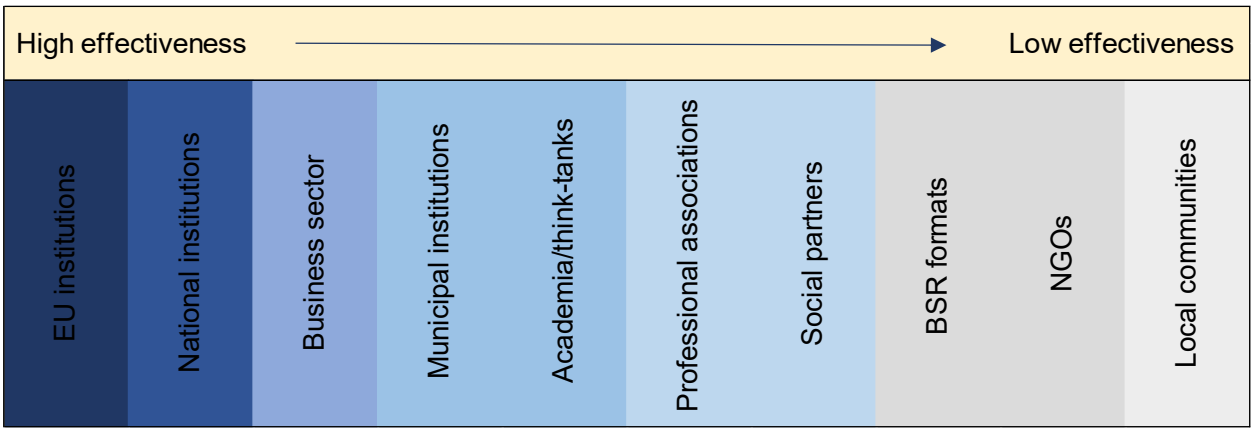


Figure 2. Actors' perceived effectiveness in the MLG agenda-setting[4]

BSR organisations and formats emerge as a non-visible or weak but potentially enabling intermediary. Although they lack formal authority, resources, and defined responsibilities in the EU governance chains, they are recognised as spaces for information exchange, networking, and soft coordination.

Experts identify several factors that promote or hinder agenda-setting effectiveness. **Institutional factors play** a central role: agenda-setting authority, formal roles and mandates in decision-making arenas, and control over regulation and funding strongly enhance effectiveness, while centralisation of agenda-setting at EU and national levels and weak institutional channels for subnational and civic actors constrain it.

Structural factors further reinforce asymmetries. Early access to policy debates, continuous presence in governance networks, and proximity to Brussels decisively increase influence, whereas late-stage consultations, vertical distance from decision-making arenas, policy fragmentation across sectors, and informal political filtering limit the effectiveness of weaker actors.

Capacity-based factors are equally significant. High administrative, analytical, and legal capacity enables actors to follow complex processes and intervene early, while limited staff, time, expertise, and institutional learning mechanisms push others into reactive roles. These capacity gaps are particularly acute at municipal and civil society levels.

Financial factors also shape effectiveness: sustained funding, investment capacity, and the ability to support long-term engagement favour large firms and NGOs and government institutions, while SMEs, small NGOs, and community initiatives remain underfunded.

Finally, experts highlight the importance **of knowledge and mediation factors**. Actors capable of translating interests into EU-compatible legal, technical, or economic language are far more effective than those articulating concerns in social or territorial terms. The absence of effective

[4] Actors' ranking is based on experts' quantified evaluation (from 1 to 10, where 10 is highly effective) of each actors' effectiveness in agenda-setting.

intermediaries or “translators” linking EU governance logics, research knowledge, and local realities further weakens agenda-setting from below.

3.3. Collaboration across the levels of governance

Agenda-setting power alone is insufficient for effective policy implementation; sustained and well-functioning collaboration across governance levels enhances the effectiveness of agenda-setting, as well as its implementation, particularly in twin transition policies. This section examines how experts, both in general terms and across the case study countries, assess collaboration across the levels of EU’s MLG, as well as the factors that facilitate or constrain it. It concludes by identifying which collaborations are perceived as most and least effective and by synthesising the enabling and hindering conditions of cross-level collaboration.

Collaboration is assessed as strongest at the EU–national interface, where institutional roles, legal mandates, and coordination routines are clearly defined. Dense networks of committees and working groups facilitate regular interaction between EU institutions and national administrations. Below the national level, collaboration becomes weaker, more episodic, and heavily shaped by funding cycles rather than sustained strategic coordination.

Experts stress that legal obligations alone do not generate effective collaboration. Without facilitation, resources, and continuous interaction, MLG remains procedural rather than deliberative or co-creative. Regional and municipal actors often experience interaction with national authorities as one-directional, reactive, and shaped by funding deadlines rather than by shared agenda-setting. A major enabling factor for collaboration is the presence of clear frameworks and dedicated coordination structures. Where such structures exist – typically at the EU–national level – collaboration is more stable and predictable. Conversely, where frameworks are absent or weak, cooperation relies on ad-hoc arrangements, informal networks, or individual initiative, making it fragile and difficult to sustain.

In the twin transition, collaboration is shaped by strong EU-level strategic direction combined with asymmetric involvement of lower governance levels. Municipalities, NGOs, and local communities are frequently engaged in implementation through projects and pilots, yet their role is often confined to delivery rather than shaping objectives or policy design.

Experts highlight that the EU’s growing reliance on single national plans and single responsibility further constrains differentiated and territorially sensitive collaboration. While this approach simplifies coordination from the EU’s perspective, it reduces flexibility and limits the capacity of regional and local actors to adapt policies to contextual needs, particularly in decentralised or low-capacity governance systems. Where collaboration in the twin transition functions better, it tends to be enabled by shared interests, funding incentives, and concentrated coordination efforts. EU funding acts as a strong catalyst for collaboration, as it creates incentives for actors to align priorities and establish governance structures. However, experts caution that such collaboration is often instrumental and project-based, dissolving once funding ends, rather than embedded in lasting governance arrangements.

Collaboration is weakest where social and labour dimensions of the transition are concerned. Although social dialogue frameworks exist, weakened trust to public institutions and selective engagement by employers limit cooperative governance precisely in areas where social legitimacy and worker inclusion are critical.

3.3.1. Assessment of cross-level collaboration across country cases

Finland

Finnish experts describe collaboration in EU's MLG system as institutionally dense but uneven in practice. Cooperation is strongest where institutional and legal ties are clearly formalised, particularly between the EU and national levels and within Finland's national administrative hierarchy. EU–national collaboration functions relatively well due to Finland's strong administrative capacity, stable legal transposition practices, and embedded routines of coordination between ministries and EU institutions.

At national level, national–municipal and municipal–community collaboration is generally perceived as more robust than EU-level engagement with subnational actors. This strength derives from shared responsibilities, geographical proximity, and well-established legal obligations for cooperation across levels and with civil society actors. Finnish legislation embeds extensive requirements for consultation, reporting, and coordination, creating a formal architecture that supports interaction across governance levels.

However, experts underline that legal mandates alone do not ensure effective collaboration. Without facilitation, dedicated resources, and sustained joint activity, cooperation often remains procedural and compliance-oriented rather than deliberative. MLG may appear robust "on paper," yet fails to function dynamically without continuous interaction, shared processes, and funding that supports joint work. Where such enabling conditions are absent, collaboration becomes fragmented and episodic.

Åland exposes a structural fault line within this system. EU governance increasingly assumes a single national coordinating authority, a logic that clashes with Finland's constitutional arrangements regarding regional autonomy. This creates legal and practical complications in areas where Åland holds legislative competences, undermining coherent collaboration across national and regional levels. In practice, EU institutions interact almost exclusively with the Finnish state, leaving autonomous regions structurally marginal in collaborative processes. EU–regional and EU–municipal collaboration is therefore widely perceived as weak and largely indirect, mediated through national authorities rather than based on direct interaction. Macro-regional formats such as Baltic Sea cooperation, were generally not known among experts, and, if acknowledged, were seen as playing only a marginal, mostly symbolic role in EU decision-making.

In twin transition, collaboration is characterised by strong EU strategic direction combined with uneven territorial integration. EU objectives, targets, and regulatory frameworks provide a clear overall orientation, but their translation into collaborative, cross-level governance remains limited. Local and regional actors are frequently involved in project implementation, especially through EU-funded instruments, yet remain largely disconnected from agenda-setting and strategic decision-making processes.

National planning requirements further constrain collaboration. The EU's growing emphasis on single national plans and single responsible authorities intensifies hierarchical coordination and reduces flexibility for territorially differentiated solutions. This is particularly problematic in decentralised or autonomous contexts, for example, Belgium. In the Finnish context, EU's demands for unified national climate, agriculture, and fisheries plans have reduced the space for

region-specific solutions in Åland's case, even in policy areas falling under autonomous competences, creating both political and legal tensions.

Where collaboration functions more effectively in the twin transition, it tends to rely on shared interests and coordinated regional ecosystems rather than on formal MLG structures. Examples include regions where universities, businesses, municipalities, vocational institutions, and regional administrations align around common development agendas, EU funding priorities, or innovation strategies. Such collaboration is often effective in mobilising resources and knowledge, but remains project-based and contingent, rather than structurally embedded.

Table 9. Factors enabling and hindering collaboration across governance levels (Finland)

	Factors enabling collaboration across levels	Factors hindering collaboration across levels
General	• EU's legal and administrative routines • Legal obligations for cooperation within Finland's national governance system • Territorial proximity supporting national–municipal and municipal–community collaboration • Shared interests	• Formalistic implementation of legal mandates without facilitation or resources • Marginal practical role of macro-regional formats such as Baltic Sea cooperation • Structural tension between single-national-authority EU logic and regional autonomy, exemplified by Åland
Twin transition	• Clear EU-level strategic goals • EU funding instruments • Regional ecosystems aligning public authorities, academia, and business around shared goals • Knowledge exchange and peer learning within specific regions or sectors	• Centralised and hierarchical governance of the twin transition • Local and regional actors involved mainly in implementation, not in agenda-setting • Emphasis on single national plans constraining territorially differentiated solutions • Project-based cooperation lacking continuity and structural embedding

Latvia

Latvian experts agree that collaboration weakens as the distance between governance levels increases, creating persistent gaps in vertical and horizontal coordination. The strongest is the collaboration between the EU and national levels (formalised, treaty-based coordination) and national and municipal levels (shaped by funding and obligations rather than strategic cooperation). The collaboration is weak or very weak among the EU and local communities, national and regional levels, and regional-municipal and regional-local communities' levels.

Experts describe collaboration across governance levels as uneven, with clear structural weaknesses. EU–national relations are strong due to due to formalised interdependence and Latvia's embedded representation in Brussels, but coordination weakens dramatically below the national level, especially for EU–municipal and EU–local community relations. Interactions with local municipalities are fragmented and heavily dependent on individual leaders' motivations,

capacities, and relationships. There is no direct link between EU institutions and local communities except through project-based mechanisms. Overall, Latvian residents feel detached from EU decision-making and lack routes to meaningful engagement; even at national–regional or national–municipal levels, collaboration is hindered by political mistrust, fragmented reforms, and weak institutional design (e.g., ineffective planning regions). As one expert noted, the relatively low intensity and quality of cooperation between the national and municipal levels is surprising given the comparatively small size of Latvia:

> "I would like the Ministry of Smart Administration and Regional Development to develop its objectives, priorities, and policies in much closer consultation with municipalities. What surprises me greatly is that they create regional policy guidelines while engaging in only very limited consultation with the municipalities. We are a small country, […] they could realistically have discussed the key issues with almost everyone involved" (LV-A3).

Table 10. Factors enabling and hindering collaboration across governance levels (Latvia)

	Factors enabling collaboration across levels	Factors hindering collaboration across levels
General	• Legal obligations requiring cooperation • Regulatory and funding frameworks • Strong interpersonal and professional networks • Presence of motivated municipal leaders • Shared interests across levels	• Governance complexity and opacity • Political mistrust and adversarial relations • Lack of time, capacity, and information • Fragmented local community structures • Weak intermediaries (planning regions)
Twin transition	• Strong EU–national alignment on the strategic goals of green and digital transitions • Sector-specific leadership (Nordic environmental leadership in BSR) • Project-based cooperation mechanisms (Interreg, thematic programmes) supporting BSR and municipal engagement	• Poor communication of transition goals • Unclear or unpopular transition priorities, which lower political will at national or municipal level • Local opposition, especially around wind farms or infrastructure changes • "Translation" failures where commitments agreed at national/EU level become distorted or diluted as they travel downward • Financial risks and long-term costs • Funding-driven (not need-driven) planning

On the contrary, the planning regions, created for EU statistical purposes, are described as nearly irrelevant actors that lack capacity, stable functions, and democratic legitimacy: "planning regions should be abolished, as they currently function just as project-writing agencies. They represent

an unnecessary administrative burden and are entirely unnecessary, completely unnecessary" (LV-A1).

Collaboration weakens as the issues move further down the governance chain – decisions made jointly by EU and national authorities often become distorted as they pass to municipal or local levels ("lost in translation"), creating gaps in implementation. Capacity differences between actors and asymmetries in power relations hinder genuine collaboration; shared interests and clear institutional mechanisms, such as the Environmental Consultative Council, can improve cooperation, but such structures typically benefit actors who already have capacity. Collaboration between municipalities and local communities is seen as stronger – mainly because it is mandated by law, not because it functions organically. Yet, experts also underline that collaboration varies dramatically by municipality and is shaped by organisational culture, political freedom, corruption levels, and competence of municipal leaders. Disinformation, fear of change, and lack of engagement by municipal authorities impede collaboration with local communities.

BSR level is seen as marginal, though Nordic environmental leadership in BSR and Interreg-type projects are cited as positive examples of collaboration at the BSR-regional level,

For the twin transition, collaboration is further weakened by political unpopularity, lack of clear communication, and local resistance – especially around wind farms. Municipalities frequently resist transition-related policies unless financial guarantees are provided. Experts stress that limited transparency, poor cross-level communication, and fragmented stakeholders continue to block coordinated action necessary for the twin transition.

Norway

Norwegian experts highlight that collaboration is strongest where actors are close to each other – geographically, institutionally, or socially. For example, regional–municipal cooperation is among the strongest relationships in the Norwegian governance system. Regions and municipalities share common challenges, maintain frequent communication, and operate within long-standing administrative traditions. Regional–municipal ties are reinforced through shared planning systems, credible relationships, and trust built over years of interaction.

Similarly, national–regional collaboration is described as strong, supported by structured coordination mechanisms and clear administrative hierarchies. However, this relationship has weakened in recent years due to territorial reforms, political debates about the relevance of regional governments, and disruptions in regional identity and capacity. Regions once perceived as closer to municipalities now stand in a more ambiguous position, sometimes lacking the stability or clarity needed for long-term collaboration.

National–municipal collaboration remains strong in procedural terms but uneven in practice. Municipal influence depends on whether a particular municipality has political champions or is visible within national debates. This can lead to unequal treatment, with larger or politically well-connected municipalities benefiting disproportionately. Municipalities often possess significant responsibilities for implementing EU-driven reforms, yet their ability to shape national decisions varies widely.

The collaboration becomes more limited as governance moves further away from local realities. Experts describe EU–regional and EU–municipal relations as one-directional and capacity-dependent. At the same time, experts note that EU–municipal relations in Norway are

characterised by a certain degree of distance, which is not necessarily perceived as problematic. Rather, experts indicate that direct engagement between the EU and municipalities is neither widely expected nor considered essential. Municipalities experience EU policies primarily through national transposition and generally lack direct channels to influence EU decision-making. This reflects a prevailing understanding that interactions between the EU and municipalities are mediated through national and regional institutions, which are tasked with interpreting, adapting, and implementing EU initiatives. Even when municipalities participate in EU projects, they often rely on external experts or intermediaries to interpret requirements, resulting in a form of engagement that is mediated rather than directly empowering. In this sense, although experts acknowledged the relevance of municipal perspectives, many expressed a preference for maintaining a degree of institutional distance between EU-level policymaking and local authorities.

Table 11. Factors enabling and hindering collaboration across governance levels (Norway)

	Factors enabling collaboration across levels	Factors hindering collaboration across levels
General	• Strong EU–national coordination through EEA structures • Integrated national–regional–municipal administrative traditions • Close regional–municipal relationships supported by trust and proximity • Established corporatist cooperation structures • Project-based cooperation mechanisms (Horizon, Smart Cities, pilot projects).	• Limited upstream influence due to Norway's non-EU status • Uneven regional capacity following territorial reforms • Structural advantage of well-resourced actors over small NGOs and communities
Twin transition	• Clear EU strategic direction for green and digital transitions • Strong national administrative capacity for translating EU directives. • Municipal experimentation in energy and climate projects • Project-driven cooperation across governance levels • Crisis mobilisation strengthening short-term collaboration	• Technically complex and evolving transition regulations • Late inclusion of unions, NGOs, and communities in design phases • Conflicts around indigenous land use (e.g., wind energy) • Municipal capacity gaps, especially in smaller municipalities • Early dominance of business and professional lobbies • Disconnect between inclusive rhetoric and actual decision-making power

EU–local community collaboration is described as very weak. Local communities rarely engage directly with EU mechanisms. The EU exists as a distant and technical level, largely invisible unless a particular directive affects land use or energy infrastructure. Communities access the EU mainly through national decisions, without understanding the upstream dynamics.

Collaboration in the twin transition adds further strain because the transitions are seen as technically complex, rapidly evolving, and often poorly connected to everyday concerns. Top-down EU strategies prioritise engineering, market design, and technological frameworks, which do not easily translate into local-level deliberation. Municipalities struggle to interpret transition rules, while communities lack the information, incentives, or sense of ownership to engage. Indigenous rights conflicts around wind energy illustrate how collaboration can break down entirely when transitions intersect with land-use rights, identity, or cultural claims.

Poland

Polish experts describe the EU's multilevel collaboration as institutionally dense at the top and thinning rapidly towards the bottom.

Table 12. Factors enabling and hindering collaboration across governance levels (Poland)

	Factors enabling collaboration across levels	Factors hindering collaboration across levels
General	• Legislative procedures and EU funding frameworks • Structured national–regional collaboration • Territorial proximity and operational duties • Project-based cross-level cooperation (e.g., Interreg, regional strategies)	• Institutional distance • Limited national–municipal coordination and unfunded mandates • Capacity disparities across regions and municipalities • Late and reactive civic involvement dominated by conflicts rather than co-creation
Twin transition	• Clear EU climate and digital policy architecture • Project-based cooperation in transition-related initiatives • Cross-sector cooperation at local or regional level (municipalities, universities, NGOs, firms) when enabled through concrete projects • External knowledge spillovers motivating local leadership and collaboration (e.g., RES study visits)	• Highly centralised, technocratic governance of energy and digital transitions limiting local roles • Restricted access to grid data and limited involvement of municipalities and communities in distribution planning processes • Fragmented coordination between climate, spatial, energy and digital policies • Community involvement occurring mostly through environmental disputes and late-stage consultations • Territorial inequalities and capacity gaps preventing consistent engagement in transition process

EU–national collaboration is evaluated as very strong, driven by Poland's participation in EU legislative processes, legal obligations, and funding mechanisms. National–regional collaboration is also relatively robust due to statutory planning responsibilities and management of cohesion policy funds, though its effectiveness varies with regional capacity.

Collaboration weakens substantially at national–municipal and EU–municipal levels. Municipalities are responsible for implementing transition policies but often face unfunded mandates, unclear guidance, and limited opportunities to influence decisions upstream. EU–local community links are described as extremely weak and largely symbolic, mediated through national authorities and project-based instruments rather than direct engagement. The strongest cooperation is observed at regional–municipal and municipal–community levels, where territorial proximity enables practical problem-solving and trust-based interactions. As one expert noted, "effective transition governance requires not only vertical coordination, but horizontal trust between local actors" (PL-B1). However, even these relationships are fragile and often strained by conflicts over land use, infrastructure siting, and perceived top-down imposition.

In the twin transition, collaboration becomes more centralised and technocratic. Energy system governance – grid planning, data access, renewable integration – is dominated by national regulators and distribution system operators, leaving municipalities and communities without meaningful coordination roles. Despite digitalisation reforms, spatial planning, climate policy, and energy governance remain weakly integrated, reinforcing siloed decision-making. Experts note that many local conflicts follow a "decide–announce–defend" pattern, with communities mobilising only after strategic decisions are made. Yet, experts also highlight that collaboration can be stimulated through transnational learning, such as study visits to regions in Denmark or Germany with advanced renewables, which can catalyse local leadership and cooperation when trusted intermediaries are involved.

3.3.2. Summary of patterns of collaboration across governance levels

Overall, collaboration in the EU's MLG is uneven, hierarchically structured, and declining in strength with vertical distance from EU institutions.

Collaboration is perceived as **strongest at the EU–national** level and **weakest at the EU–local and national–local** community interfaces, with subnational levels occupying an intermediate but often fragile position.

The strongest collaboration is observed at the **EU–national** interface, where institutional roles, legal mandates, and coordination routines are clearly defined. Dense networks of committees, working groups, and reporting mechanisms facilitate regular, predictable interaction between EU institutions and national administrations. **National–regional** and **national–municipal** collaboration can also function relatively well where legal responsibilities, funding flows, and administrative hierarchies are clear, though this cooperation often remains compliance-oriented rather than strategic.

Collaboration weakens progressively below the national level. **EU–regional** and **EU–municipal** collaboration is perceived as indirect and mediated through national authorities, with limited opportunities for sustained dialogue or joint problem-solving. **EU–local** community collaboration is identified as the weakest, largely symbolic, and restricted to project-based participation rather than continuous engagement. Municipal and regional actors frequently see collaboration with

higher levels as one-directional, reactive, and shaped by funding deadlines rather than shared agenda setting or cocreation.

The **BSR level** is far less known among experts. When BSR cooperation formats are acknowledged, they are perceived as a supportive but secondary arenas of collaboration. BSR cooperation facilitates horizontal networking, peer learning, and exchange of practices across countries and regions, often through Interreg and thematic projects. Collaboration at this level is voluntary, project-based, and focused on coordination rather than binding decision making. While BSR cooperation can strengthen regional capacities and foster shared understanding, it lacks formal authority and stable vertical links to EU or national coordination structures. As a result, it complements but does not compensate for weak collaboration between EU, national, and subnational levels,

In the context of the twin climate and digital transition, the previously described patterns are accentuated. While EU strategic steering is strong and coherent, lower governance levels are involved primarily in implementation rather than strategic coordination, reinforcing a division between decision-making and delivery. The EU's growing reliance on single national plans and single responsible national authorities further constrains territorially differentiated collaboration, simplifying coordination from the EU perspective but limiting flexibility and local adaptation, particularly in decentralised or low-capacity systems.

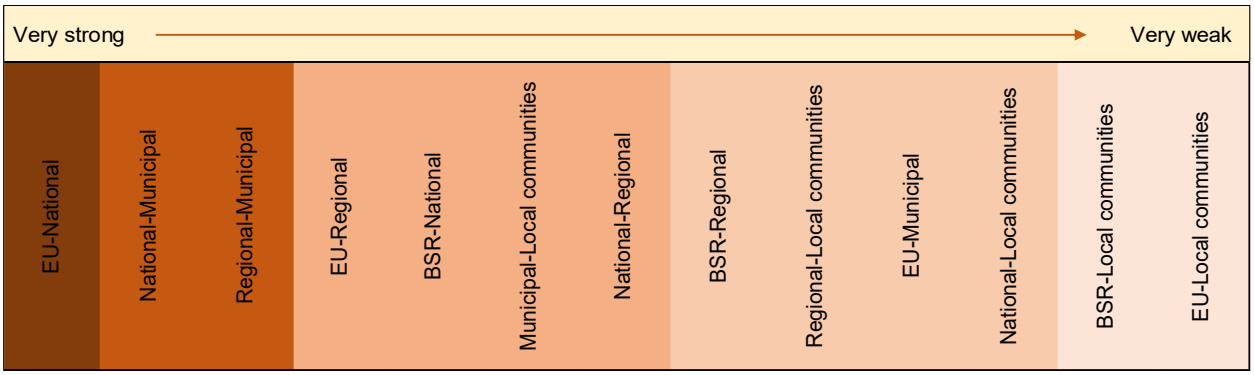


Figure 3. Perceived strength of collaboration across levels of governance[5]

Experts identify a set of factors that shape collaboration across EU's MLG. **Institutional factors** play a central role: collaboration is strongest where mandates, competences, and coordination responsibilities are clearly defined and embedded in formal routines. This is most evident at the EU–national level, where clearly codified roles, reporting obligations, and committee structures enable stable and predictable interaction. By contrast, collaboration weakens where institutional responsibilities are fragmented, indirect, or mediated exclusively through higher levels, leaving regional and local actors with limited formal entry points.

Structural factors further condition collaboration. Proximity to decision-making centres, frequency of interaction, and routinised coordination foster cooperation, while vertical distance, hierarchical planning models, and reliance on ad-hoc or project-based interaction undermine it. Collaboration thins as it moves downward from EU and national levels towards municipalities and

[5] Ranking is based on experts' evaluation (from "very strong" to "non-existent") of collaborations across different levels of EU's MLG.

local communities, becoming episodic and reactive rather than strategic. The emphasis on single national plans and single responsible national authorities reinforces this hierarchy.

Capacity-based factors are equally decisive. Strong administrative, analytical, and coordination capacity enables sustained collaboration, particularly at EU and national levels. In contrast, municipalities, NGOs, and local communities frequently lack staff, expertise, time, and interpretative capacity to engage continuously across levels, which pushes collaboration towards compliance-oriented reporting rather than joint problem-solving.

Financial factors act as both enablers and constraints. EU funding is widely perceived as a powerful catalyst for collaboration, incentivising alignment of priorities, creation of governance structures, and cross-level interaction. However, funding-driven collaboration is often instrumental and project-based, dissolving once funding cycles end rather than becoming embedded in durable governance arrangements. This reinforces fragmentation and weakens continuity across policy cycles.

Relational and social factors also shape collaboration. Trust, shared interests, facilitation, and long-term working relationships significantly improve cooperation. Conversely, weakened trust, political conflict, and selective engagement undermine collaboration, especially in the social and labour dimensions of the twin transition. Although formal social-dialogue frameworks exist, cooperation in these areas remains fragile precisely where social legitimacy and inclusion are most critical.

3.4. Actors' agency within the EU's MLG

By synthesising the empirical findings of the preceding chapters and applying the two-dimensional capacity-based MLG model proposed in section 2.1, this section situates different actors along the axes of influence and exposure, asking whether – and to what extent – actors are able to shape decisions whose outcomes, in turn, affect them. In addition, bottom-up dynamics are evaluated, seeing whether subnational actors can enable each other and thus overcome capacity gaps. By forming alliances, sharing resources and knowledge, and acting collectively, bottom-up actors can strengthen their influence capacity and enhance their agency, allowing them to exert greater impact on decisions whose outcomes directly affect them.

Applying the influence–exposure framework reveals a hierarchical and asymmetrically distributed agency structure across EU's MLG, in which the capacity to shape outcomes is loosely connected to formal institutional status. At the core of the MLG system are **strategically embedded actors**, combining high influence and high exposure, notably EU institutions, national governments, and large economic actors that not only set regulatory agendas but also bear formal responsibility for implementation and compliance.

Surrounding this core are **norm entrepreneurs and knowledge brokers**, such as academia, think tanks, and expert communities, whose influence operates primarily through long-term framing, evidence production, and problem definition. While these actors can exert substantial indirect influence, their role has become increasingly constrained in contexts characterised by political urgency, fast-tracked decision-making, and informal lobbying dynamics, which tend to side-line slower, evidence-based contributions.

Further outward are **regulated participants**, including municipalities, national NGOs, vulnerable groups (e.g. seniors, workers, indigenous people) and local communities, who experience high exposure to policy outcomes – such as implementation burdens, social costs, or behavioural change – while remaining largely excluded from agenda-setting and strategic coordination, engaging mainly at consultation or implementation stages.

At the **periphery** are actors with both low influence and low exposure, whose marginal position reflects limited institutional embeddedness, resource constraints, or lack of governance literacy.

In general, experts outline that bottom-up enablement tends to be **mediated and coalition-based rather than spontaneous.** Like-minded actors may align around specific issues – such as environmental NGOs cooperating with renewable-energy companies or trade unions engaging with activist networks – but such alliances are uneven, often temporary, and largely issue-specific. At the local level, municipalities may enable civil-society engagement through funding schemes, facilitation, or coordination roles; however, these forms of support rarely translate into sustained influence beyond the local scale. In many cases, collaboration is driven more by legal requirements or funding conditionality than by voluntary, trust-based cooperation, which limits the depth and durability of bottom-up enablement. As a result, bottom-up collaboration remains fragmented and only weakly integrated into broader MLG processes.

3.4.1. Analysis of actors' agency in EU's MLG across country cases

Finland

Strategically embedded actors (high influence, high exposure) occupy the core of Finland's MLG. This group includes EU institutions – most notably the EC – national ministries, and certain large business sectors. These actors combine agenda-setting influence with direct exposure to policy outcomes and compliance obligations. EU institutions shape legislative priorities and regulatory frameworks, while national ministries act as key mediators, filtering EU agendas into domestic policy and coordinating national responses. Large business sectors – particularly in energy, forestry, land use, and infrastructure – are strategically embedded through sustained lobbying capacity, long-term presence in Brussels, and close alignment with administrative actors. Their agency is reinforced by technical expertise, early access to policy processes, and the ability to frame issues in ways that resonate with both EU and national priorities, as illustrated by joint public–private positioning in the Finnish forestry and land-use sector.

Norm entrepreneurs and knowledge brokers (high influence, low exposure) form a second, analytically distinct category. In the Finnish case, this includes academia, think tanks, expert communities, and parts of the research and advisory ecosystem. These actors exert influence primarily through knowledge production, evidence-based framing, and long-term agenda shaping, rather than through direct participation in political decision-making. Their agency is strongest where research aligns with Commission priorities, impact-assessment processes, or EU-funded research programmes, which are more visible in EU policymaking than nationally funded research. However, their exposure to policy outcomes is comparatively low: they are not responsible for implementation and bear limited direct consequences of regulatory decisions. As a result, their influence is indirect, cumulative, and often delayed, shaping the terms of debate rather than immediate policy choices.

Regulated participants (low influence, high exposure) constitute the largest group of stakeholders in Finland's MLG system. This category includes municipalities, cities, regional authorities, national NGOs, and local communities. These actors are highly affected by EU policies – particularly in areas such as climate action, land use, transport, social policy, and service provision – yet have limited capacity to shape agendas upstream. Their engagement typically occurs at implementation, consultation, or project-delivery stages, rather than during problem definition or agenda-setting. While municipalities and cities may exercise discretion in how policies are applied locally, this does not translate into structural influence over EU or national priorities, and EU-related issues often remain marginal in local political debate.

Åland represents a paradigmatic and extreme instance of this category. As an autonomous region, Åland has transferred legislative powers upward to the EU but has not received compensatory representation or institutionalised influence within EU governance structures. It has no seat in the Council, no MEP in the EP and no direct role in agenda-setting, yet EU decisions directly affect policy areas under its autonomous competences. Åland, therefore, combines very high exposure with systematically constrained influence, highlighting a core tension in EU's MLG between territorial diversity and the Union's preference for uniform, Member State-centred decision-making. This positioning makes Åland an analytically salient example of regulated participation and asymmetrical accountability within otherwise high-capacity Member State.

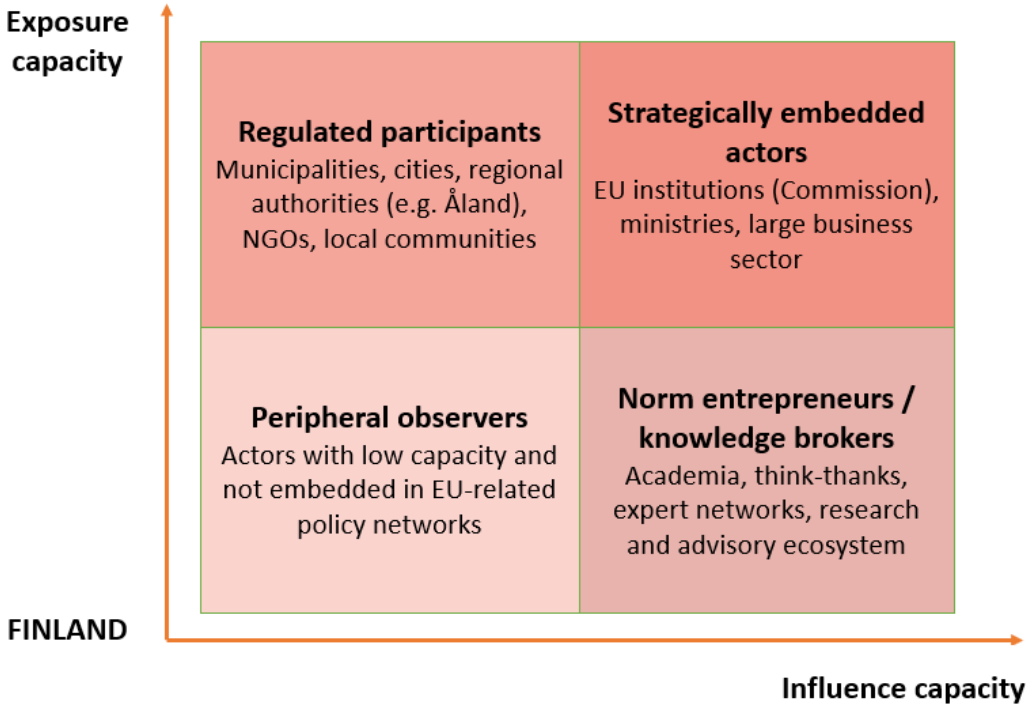


Figure 4. Two-dimensional capacity-based MLG model, as applied to Finland

Peripheral observers (low influence, low exposure) include actors that fall outside EU-relevant policy networks or lack the governance literacy, resources, or organisational embeddedness needed for sustained engagement. Despite the formal openness of EU processes, these actors remain structurally marginal, participating only sporadically or not at all, and experiencing limited direct impact from EU policies. As one expert notes, the decisive barrier is often not exclusion by

design, but lack of knowledge: “Brussels is a power game, […] you got to know the game to play it” (FI2-R).

In sum, the Finnish case demonstrates that agency in MLG is not guaranteed by transparency or legal access alone. Instead, it is shaped by a combination of technical expertise, institutional position, lobbying resources, and familiarity with informal EU policymaking dynamics. Even in a context characterised by strong administration and democratic traditions, significant asymmetries persist between those who shape policy and those who primarily absorb its effects.

As regards bottom-up enablement, Finnish experts point out that it is largely situational and institutionally mediated rather than autonomous. Actors tend to enable one another most effectively when they share concrete interests and operate within established governance settings, such as regional innovation ecosystems, municipal programmes, or sector-specific partnerships. Coordination among universities, businesses, municipalities, and regional authorities can strengthen bottom-up capacity where objectives are aligned and institutional support is available. At the same time, enablement remains fragmented and difficult to scale. Civil-society actors may receive support from municipalities or European-level umbrella organisations, yet these links rarely translate into sustained influence at EU level. Local actors can build capacity and visibility within their immediate context, but often struggle to move participation upward due to layered governance structures and centralised decision-making. In Åland, these challenges are compounded by the need to navigate both national and EU governance channels without direct access to EU-level decision-makers, further constraining autonomous bottom-up empowerment.

Latvia

In Latvia’s context, actors with high influence capacity are those who (1) access decision-making early, (2) know how to navigate ministries and EU processes, and (3) possess lobbying skills, networks, and resources. Businesses and professional associations are the dominant actors in this respect: these groups “know the pathways,” are automatically included in national-level working groups, and use long-standing relationships with ministries to shape agendas before other stakeholders even see draft texts. Experts note that EU-level business lobbies have successfully blocked regulatory action at the EU level for over a decade in areas such as hazardous chemicals – while NGOs, despite trying for years, have been unable to overcome their influence. At EU level, large sectoral interests, especially in countries like France and Germany, are seen as effectively securing their priorities through strong lobbying coalitions. Thus, experts position business lobbies and large professional associations among strategically embedded actors – those with both high influence and high exposure to EU outcomes, as their sectors are heavily affected by EU regulations but also capable of shaping them.

In contrast, NGOs, grassroots organisations, and local communities consistently appear as actors with high material exposure but low influence capacity, placing them among regulated participants. Experts describe these groups as strongly affected by EU decisions – particularly environmental rules, infrastructure planning, and transition-related obligations – yet nearly absent from agenda-setting. Community organisations and NGOs typically enter the process only once decisions are already drafted, limiting their ability to shape outcomes. Experts note that Latvia’s NGO sector is highly fragmented (around 27,000 organisations), under-resourced, and focused on narrow, localised issues – which forms structural conditions that prevent sustained advocacy beyond the municipal level. In addition, individual NGOs or communities cannot meaningfully

engage because the complexity of EU processes requires resources and expertise that they do not possess, leading their contributions to be “lost in the flow of information” (LV-NGO2). Climate-solution-oriented activists in Latvia are particularly weak, while opposition-driven groups (e.g., anti-wind farm activists) are more mobilised yet still lack real agenda-setting power. Altogether, NGOs and local communities are high-exposure, low-influence actors, situated at the margins of the MLG system.

Among public actors, experts view EU institutions as holding high influence and high exposure, since they define strategic priorities, control funding mechanisms, and set binding regulations. They are therefore positioned among the strategically embedded actors. National institutions, however, are viewed as having medium influence capacity, though often weakened by internal problems. Experts point to political mistrust and opaque processes, while national institutions are described as sometimes performing “imitation of action” (LV-A1), implementing EU policies mechanically without strategic leadership. Ministries often lack clear, substantive positions and instead focus on absorbing EU funds rather than shaping the direction of policies. As a result, negotiations between EU delegations and national representatives are seen as depending heavily on interest of individual officials rather than institutional competence. These factors place national institutions in a medium-exposure, medium-to-low-influence category – more capable than municipalities or NGOs, but far weaker than EU institutions or major lobbies. Their agency is weakened by fragmentation, insufficient coordination, and reactive behaviour – placing them between strategically embedded actors (in theory) and regulated participants (in practice). Their exposure, however, is high, as they bear legal responsibility for implementing EU obligations and risk infringement procedures when they do not.

Municipalities occupy a similarly uneven position. Experts note that municipalities focus on EU funding availability rather than shaping policy content. They are effective at securing funding, treating EU resources like a “bank” (LV-A3), but they lack influence in strategic priority-setting because they depend heavily on national guidance and lack capacity for EU-level engagement. Thus, while municipalities are heavy exposed to implementation burdens, they have a minimal influence over decisions. Municipalities thus fall under regulated participants: highly exposed to EU rules and funding conditions, but with limited influence capacity.

Experts highlight that actors with high influence, but comparatively low exposure are certain think-tanks, expert organisations, and consultancy firms that shape policy through reports, evaluations, and advisory roles without directly bearing the impacts of policy implementation. Some academic institutions and Brussels-based NGOs play a similar role: EU-level NGO networks exert far greater influence than national-level organisations. Think-tanks shape ideas and frames even when they do not directly affect final outcomes. These actors function as knowledge brokers or norm entrepreneurs, influencing the cognitive and conceptual dimensions of governance more than its material implementation.

Across interviews, social partners are depicted as actors with low and inconsistent influence capacity but high exposure to EU decisions (regulated participants). Experts underline that social partners can exert pressure only when they mobilise around specific issues, making their agency sporadic and situational. Overall, social partners show little interest in the twin transition, which further reduces their influence in this domain. Like small NGOs, social partners often lack the capacity to follow complex EU processes, limiting their ability to engage early or effectively. Therefore, social partners primarily are seen as regulated participants – actors who are

significantly affected by EU labour, climate, and economic policies but lack consistent strategic influence in shaping them.

In Latvia, a small group of actors fall into the category of peripheral observers. These include planning regions, which experts describe as lacking authority, legal mandate, and meaningful involvement in governance, functioning largely as administrative shells with no substantive role in transition-related processes. Likewise, numerous micro-local or hobby-type NGOs – identified within Latvia's highly fragmented NGO landscape – operate in areas unrelated to transition policy and remain outside MLG dynamics altogether. A third group consists of episodic activists, especially at the local level, who mobilise briefly around single issues before disengaging, leaving them without sustained presence or influence in governance processes: "these interests are very, very local in nature, and in reality, once local activists have achieved their immediate local objectives, they tend to lose momentum and become less actively engaged" (LV-A1).These actors are therefore best understood as marginal to both decision-making and transition outcomes.

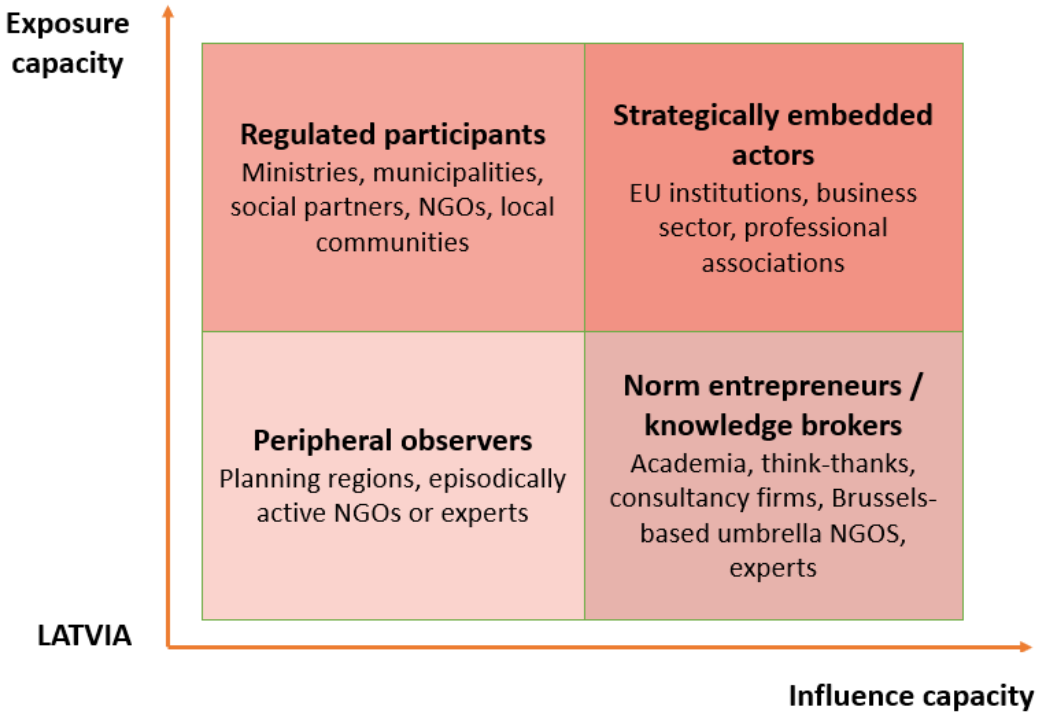


Figure 5. Two-dimensional capacity-based MLG model, as applied to Latvia

In sum, experts outline that in Latvia formal institutional authority alone does not determine agency. Instead, agency emerges from informal access, strategic knowledge, lobbying skills, network embeddedness, and early involvement in decision-making processes. Large businesses, professional associations, and EU institutions consistently act as strategically embedded actors with the most agency; municipalities, small and medium-sized domestic businesses, NGOs, activists, and local communities operate as regulated participants; academia, think-tanks and experts act as norm entrepreneurs; and actors with both low influence and low material exposure, such as planning regions and episodically active NGOs or citizens, remain peripheral observers under the project's expanded MLG conceptualisation.

In Latvia, experts describe bottom-up enablement as highly dependent on local conditions, particularly trust, leadership, and attitudinal compatibility between communities, municipalities, and business. Where municipal authorities are open and cooperative, bottom-up actors are able to reinforce one another and build collective capacity; where mistrust, fear, or administrative weakness prevail, empowerment is weak. Education, motivation, and individual leadership figures are repeatedly identified as key factors determining whether communities become active or remain passive.

Experts note that bottom-up cooperation often emerges reactively, especially in response to conflicts such as wind-farm siting, but rarely develops into sustained empowerment structures. At the same time, experts point to notable possibilities of peer-to-peer enablement. In some territories, individuals returning from urban centres bring skills, confidence, and strategic capacity that catalyse local participation, activate residents' councils, and strengthen citizens' willingness to challenge municipal authorities when necessary. In Riga, well-organised neighbourhood communities demonstrate how successful initiatives – such as participatory budgeting – can create reinforcing cycles of mobilisation, learning, and leadership development. These communities function as local hubs, enabling other bottom-up actors through example-setting, information sharing, and practical collaboration. Nevertheless, such systematic peer-to-peer enablement remains uneven, and fragmentation, narrow agendas, and limited long-term motivation continue to constrain broader bottom-up empowerment.

Norway

Agency within Norway's MLG arrangements is strengthened by formal authority, strategic capacity, and access to information. At the top of the hierarchy there are strategically embedded actors – those with both high influence and high exposure to transition policies. National ministries fit this category because they interpret EU directives, shape national legislation, and coordinate implementation across regions and municipalities. Ministries are highly equipped, benefiting from strong staffing, administrative traditions, and recognised authority. Yet their agency is not absolute: Norway's non-EU status means their influence is downstream from EU decisions, not upstream.

The business sector and large professional associations also fall in this category. Their agency stems from early intervention and from their ability to monitor EU developments continuously: "lobbyists […] are very early out, and that's why they very often get their ideas on the agenda" (NO-R1). Businesses often possess the specialised technical knowledge needed to interpret transition rules, giving them a decisive voice in national implementation debates. Their exposure to transition outcomes is high, as regulations affect markets, supply chains, and competitiveness, further motivating sustained engagement.

A second group – norm entrepreneurs and knowledge brokers – includes academic researchers, think tanks, and professional advisors. These actors exert influence by shaping the conceptual framing of governance problems, providing evidence, and contributing to project-based innovation. Experts note that social-science expertise is increasingly referenced in EU calls, yet remains undervalued in practice, meaning these actors have influence over discourse but less over binding decisions. Their exposure to transition rules is comparatively low, as they are not responsible for implementation.

The third category – regulated participants – is dominated by municipalities. Experts highlight municipalities as the "front-line implementers" of EU-driven transitions, responsible for adapting rules on energy, planning, digital services, and infrastructure. Yet their influence capacity is limited: municipal governance is described as solid but stretched, with scarce resources, inconsistent expertise, and overwhelming expectations. Municipalities feel the consequences of transition decisions – financially, administratively, politically – but rarely shape upstream rules. This high-exposure, low-influence position leaves them structurally dependent on national frameworks and external intermediaries.

Regulated participants include also small NGOs, youth, migrants, and indigenous communities. These groups are described unanimously as vulnerable to exclusion. Experts emphasise that these populations lack institutional pathways to express interests and are often overshadowed by well-resourced actors. Their participation is frequently symbolic rather than decision-shaping. Financial barriers – such as participation fees in energy schemes – further distort participation.

Finally, peripheral observers comprise actors who neither participate in governance processes nor are significantly touched by transition developments. Experts point to "quiet" organisations and low-visibility groups that do not engage with EU-related issues and are not positioned within transition-relevant sectors. Many local associations and community groups remain distant from governance unless a crisis forces interaction, and otherwise have little connection to energy, climate, or digital policies. These groups have minimal impact on MLG processes and experience limited relevance from transition obligations, placing them within the peripheral observer category.

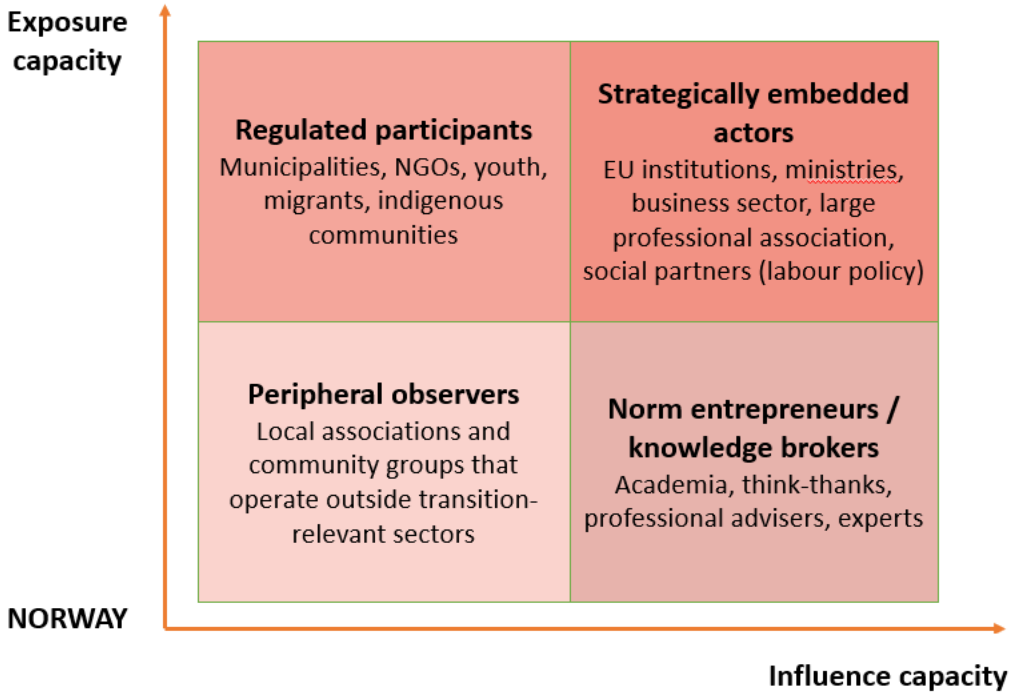


Figure 6. Two-dimensional capacity-based MLG model, as applied to Norway

In sum, agency in Norway's MLG system is not distributed based on formal mandates alone; it is shaped by Norway's non-EU status, resource asymmetries, access to information, timing, organisational culture, and institutional traditions. National ministries, large businesses, major

professional associations, and - within the labour-market domain - social partners act as strategically embedded actors, combining influence with significant exposure to transition outcomes. Municipalities - and small municipalities in particular, local communities, small NGOs, youth, migrants, and indigenous groups operate as regulated participants, carrying substantial implementation burdens and material exposure while holding limited influence over upstream rule-setting. Academic institutions, think-tanks, and experts function as norm entrepreneurs, shaping discourses and providing knowledge without bearing the main weight of implementation. Finally, actors with both low influence and low relevance to transition outcomes – such as non-engaged voluntary associations and low-visibility civic groups – remain peripheral observers under the project's expanded MLG conceptualisation.

As regards bottom-up enablement, experts describe it as fragile, uneven, and strongly dependent on intermediaries rather than on horizontal peer networks. Communities and local actors rarely enable one another directly; instead, engagement is mediated by municipal officials, project coordinators, or individual local "champions" who translate policies, provide knowledge, and build confidence for participation. Where such intermediaries are absent, bottom-up mobilisation tends to remain weak or episodic. At the same time, the experts highlighted that bottom-up cooperation structures are not strictly vertical. This reflects a broader Norwegian context in which institutional and organisational cultures are comparatively horizontal, and where actors often engage across governance levels through informal channels, such as direct phone contact or personal networks. Horizontal cooperation among bottom-up actors is nevertheless constrained by structural and cultural factors. Local organisations often operate in isolation, with limited traditions of cross-community collaboration, and cooperation typically intensifies only in response to crises rather than through sustained mutual support. The coexistence of relatively informal cross-level contact with weak horizontal peer networks appears partly shaped by local norms and by the relatively small size of Norwegian society, which facilitates close and less formal interactions without necessarily translating into durable bottom-up coordination structures.

Capacity constraints play a central role: communities frequently lack financial resources and expertise, while municipalities – key potential enablers – are themselves under pressure and under-resourced. In addition, experts highlight a generational discontinuity in EU-related knowledge, with expertise concentrated among older professionals and limited pathways for peer learning or succession, further weakening bottom-up enablement.

Poland

Stakeholder agency in the context of the twin transition is highly stratified, functionally unequal, and strongly shaped by access to institutional arenas rather than by formal mandates alone. At the top of the agency hierarchy are EU institutions, national ministries, and large corporate actors, all of which combine high influence over agenda-setting with high exposure to regulatory and implementation outcomes. Polish experts agree that EU institutions define the strategic direction of the twin transition through binding legal frameworks, policy targets, and funding instruments that structure the entire governance field. National ministries, in turn, act as decisive gatekeepers: they translate EU frameworks into domestic legislation, allocate resources, and determine implementation priorities. The national level is particularly powerful because energy and power remain state competences. This elevates national ministries from mere implementers to strategic negotiators, especially within the Council of the EU, where Poland actively shapes compromises on transition-related issues. In this sense, national institutions are not only exposed to EU

obligations but also capable of exerting upstream influence, placing them firmly among strategically embedded actors.

Large business actors – especially in energy, infrastructure, construction, and technology – are also consistently positioned in this category. Their influence stems from financial capacity, regulatory expertise, early access to policy processes, and professional lobbying. In experts' view, major industrial actors can provide ready-made legal or technical solutions to policymakers, effectively shaping agendas before other stakeholders are even aware of emerging proposals. Their exposure is equally high, as EU and national regulations directly affect their operations, investment strategies, and market positions.

In the Polish context, Marshal's Offices (NUTS-2) should also be considered strategically embedded actors. Because they manage regional operational programmes and play a central role in allocating EU funds, they possess significant influence over which projects materialise and which local actors gain access to resources. Their exposure is high, as they bear responsibility for implementation and performance, distinguishing them from weaker subnational bodies such as counties (*powiats*).

A second category comprises actors with high influence but comparatively low exposure, functioning primarily as norm entrepreneurs and knowledge brokers. This group includes universities, research institutes, think tanks, and certain professional associations. Experts recognise the growing role of academia in shaping the discourse of the twin transition through research, expert advice, evaluations, and participation in EU-funded projects. Universities influence governance indirectly by contributing to Horizon Europe programming, serving as EU experts or evaluators, and transferring knowledge to municipalities or businesses. However, they do not control funding allocation nor bear responsibility for implementation outcomes. Their influence thus operates mainly at the level of framing, knowledge production, and legitimacy rather than direct decision-making. Professional associations similarly shape standards and sector-specific regulations but rarely integrate social or territorial considerations, limiting their exposure despite notable influence.

The largest and most structurally constrained group consists of regulated participants – actors with high exposure to transition outcomes but limited influence over the rules that govern them. This category includes municipalities (especially smaller ones), rural communities, SMEs, energy cooperatives, spatial planners, NGOs, grassroots activists, and youth. Municipalities are repeatedly described as front-line implementers of the twin transition. They are responsible for spatial planning, local energy projects, climate adaptation measures, and digital public services, which makes their exposure to regulatory and financial decisions extremely high. Yet their influence capacity remains limited: they depend on national frameworks, face unfunded mandates, and often lack the expertise or resources to engage in upstream agenda-setting. Experts note that even ongoing digitalisation of planning tools enhances procedural transparency without substantially improving municipal influence over strategic choices.

Local communities, NGOs, and energy cooperatives occupy a similarly disadvantaged position. They experience the material consequences of transition decisions – such as land-use change, infrastructure siting, administrative burdens, or participation costs – but are typically engaged only at late stages, often through consultations or conflict-driven mobilisation. Their influence depends on ad hoc alliances, protests, or legal tactics rather than structured access to governance arenas. Experts also locate youth actors within regulated participants. Although young people generate

ideas and will live with the long-term consequences of today's transition choices, they are treated primarily as awareness-raising target groups rather than as legitimate co-designers or leaders. This places them among the most exposed yet least influential actors, revealing a generational dimension of agency asymmetry that is less visible in formal governance debates. SMEs and independent professionals (including planners) are also placed among regulated participants. They face reporting burdens, regulatory complexity, and limited representation, which prevents them from translating high exposure into collective influence.

A smaller group of actors can be classified as peripheral observers, combining low influence with low exposure. These are episodically mobilised local associations or single-issue activist groups that emerge briefly during conflicts and then dissolve. Their engagement is sporadic, and they remain marginal to both the design and long-term impacts of the twin transition. Actors entirely outside transition-relevant sectors also fall into this category.

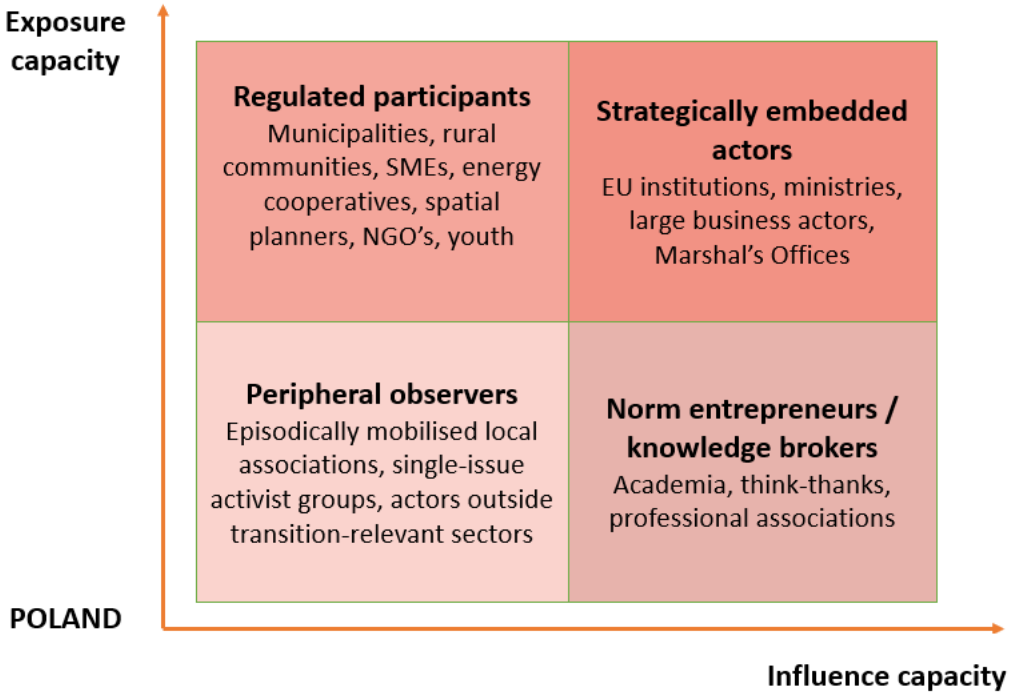


Figure 7. Two-dimensional capacity-based MLG model, as applied to Poland

In sum, agency within Poland's MLG system is strongly conditioned by sectoral power, institutional access, and control over resources rather than by formal mandates alone. EU institutions and national ministries – particularly in energy and infrastructure – operate as strategically embedded actors, combining high influence with high exposure. Large business actors and Marshal's Offices also occupy this position due to their financial leverage and control over EU funds. Academic institutions, think tanks, and professional associations function primarily as norm entrepreneurs, exerting indirect influence through knowledge production and expertise while remaining weakly exposed to implementation outcomes. By contrast, municipalities, local communities, NGOs, SMEs, energy cooperatives, and youth operate predominantly as regulated participants, bearing substantial implementation, financial, and legitimacy burdens with limited capacity to shape upstream rules. Peripheral observers – episodically mobilised local groups and actors outside

transition-relevant sectors – remain marginal to both governance processes and transition outcomes.

Regarding bottom-up enablement, experts characterise it as episodic, project-based, and leadership-dependent. NGOs often provide legal, advocacy, or scientific support to local communities; municipalities may offer administrative coordination or infrastructure; businesses sometimes enable local energy initiatives; and universities contribute technical expertise and legitimacy. These forms of enablement, however, tend to remain fragmented and tied to specific projects rather than embedded in stable governance arrangements. As one expert noted, “true inclusiveness in the twin transition begins where municipalities shift from being beneficiaries to co-governors” (PL-B1), thus enhancing their role as owners and co-creators of policies.

Experts also identify enabling intermediaries. Distribution system operators can play enabling roles when they share data, simplify procedures, and engage in pilot projects related to energy flexibility or local balancing. Moreover, successful rural cases demonstrate that bottom-up mobilisation is possible even in conservative contexts when trusted scientists, proactive mayors, and business investors form coalitions around shared goals.

3.4.2. Summary: what makes actors agents in the EU’s MLG?

This section shows that agency within EU’s MLG is uneven and asymmetrically distributed. Applying the influence–exposure framework demonstrates that the capacity of actors to shape decisions is not always linked to formal inclusion or legal status, but instead depends on their ability to access decision-making arenas early, mobilise resources, and navigate both formal and informal governance processes. Agency, in this sense, is not simply about being affected by policy outcomes, but about whether actors can meaningfully influence the decisions whose consequences they must ultimately absorb.

At the core of the EU’s MLG system are **strategically embedded actors** who combine high influence with high exposure. These include EU institutions, national governments, and major economic actors. **EU institutions** define the regulatory and strategic horizons of policy through binding legislation, funding instruments, and enforcement mechanisms. **National governments** act as key gatekeepers, translating EU priorities into domestic law and coordinating implementation across subnational levels, while also bearing legal responsibility for compliance. **Large business actors** reinforce this core through sustained lobbying presence, technical expertise, and early engagement, allowing them to shape agendas before broader participation occurs. **What makes these actors agents is their structural proximity to agenda-setting, their organisational capacity, and their continuous presence in policymaking arenas.**

Surrounding this core are **norm entrepreneurs and knowledge brokers**, such as **academic institutions, think tanks, expert communities, and advisory organisations**. These actors exercise influence primarily through framing problems, producing evidence, and shaping longer-term discourses rather than through direct decision-making authority. Their agency is indirect and cumulative: they can affect what is thinkable and legitimate in policymaking, but they rarely determine final outcomes and are only weakly exposed to the material consequences of implementation. **Their ability to act as agents depends on alignment with institutional priorities, access to expert networks, and the receptiveness of decision-makers** – factors that become less favourable in politicised or fast-tracked policy contexts.

The largest group of actors across EU’s MLG are **regulated participants**, who experience high exposure to policy outcomes but possess limited influence over agenda-setting and strategic

coordination. This group includes **municipalities, local and regional authorities, national and local NGOs, particular demographic or social groups (e.g. youth, workers, migrants) and local communities**. These actors carry substantial implementation burdens, financial risks, and political costs, particularly in the climate and digital transitions, yet they generally enter governance processes late – at implementation or consultation stages – when core decisions have already been taken. **Their limited agency reflects not exclusion by law, but capacity gaps, fragmented representation, and lack of access to upstream decision points**, which prevent high exposure from translating into high influence.

At the periphery of EU's MLG are **peripheral observers** – actors with both low influence and low exposure. These include organisations and groups that remain outside transition-relevant policy fields, lack governance literacy, or engage only sporadically. Despite the formal openness of EU policymaking, these actors rarely convert access into participation, highlighting that formal **transparency alone does not generate agency**.

Across all cases, the findings highlight that what makes actors agents is not formal authority alone, but a combination of capacities: early access to information, technical expertise, organisational scale, lobbying reach, network embeddedness, and familiarity with informal policymaking dynamics. **Agency is therefore relational and context-dependent, shaped by how governance systems are used rather than how they are formally designed.**

Bottom-up enablement plays a potentially important but currently limited role in rebalancing these asymmetries. While subnational actors can increase their agency by enabling one another – through alliances, resource sharing, collective learning, joint action, and forms of social innovation that reconfigure how collaboration, participation, and problem-solving are organised – such enablement remains fragmented, issue-specific, and mediated by institutions or intermediaries. Local authorities may facilitate civil-society engagement, and peer-to-peer mobilisation or locally embedded social innovations can strengthen implementation capacity and trust at the local level, but these dynamics rarely scale upward into sustained influence on agenda-setting or strategic coordination. As a result, bottom-up collaboration and social innovation tend to enhance implementation resilience and local legitimacy, while only marginally altering upstream decision-making structures.

Taken together, the analysis shows that EU's MLG is characterised by systematic agency asymmetries. Actors who shape policy and actors who absorb its effects are often not the same. Addressing these asymmetries does not primarily require new institutions or formal participation mechanisms, but a re-orientation of existing governance processes towards earlier involvement, stronger coordination, and greater support for collective bottom-up agency, including the institutionalisation of social innovation within existing frameworks. Without such shifts, EU's MLG will remain formally inclusive but substantively unequal in how agency – and the capacity to innovate governance itself – is distributed across actors and levels.

Importantly, the agency patterns identified in this report should be understood as a general trend rather than a fixed or deterministic structure. While the capacity-based MLG framework reveals persistent asymmetries in EU's MLG, actors are not permanently locked into specific positions within the matrix. Agency is dynamic and contextual: it can expand or contract as circumstances, capacities, and institutional conditions change. Subnational actors such as municipalities, local communities, NGOs, or civil-society networks can become powerful agents when they acquire characteristics typical of strategically embedded actors – such as organisational capacity, technical expertise, stable resources, cross-level networks, early access to information, and presence in relevant policymaking arenas. Conversely, national governments or ministries may slip into the position of regulated participants when their organisational capacities are weak,

coordination is fragmented, political leadership is unstable, or their sustained engagement in EU-level policymaking diminishes. Agency in EU's MLG is therefore relational, situational, and reversible, shaped not only by formal mandates but by how actors mobilise resources, form alliances, and position themselves within evolving governance processes.

4. Conclusions

This report examined gaps in the EU's MLG both generally and in the context of the twin climate and digital transitions, with the aim of identifying what enables or constrains actors from becoming effective agents of change within the MLG system. Building on a critical review of MLG theory and empirical evidence from expert interviews across governance levels, the report analysed how agenda-setting, cross-level collaboration, and agency function in practice, and why many actors – despite being affected by transition outcomes – remain limited in their ability to influence them. In line with the proposed analytical framework, the report shifts the focus from formal institutional arrangements to empirically traceable influence, examining how differences in actors' influence and exposure capacities shape governance dynamics and outcomes.

From a conceptual standpoint, the report advances the theoretical framework of MLG by moving beyond institutional mapping towards a capacity-based understanding of influence. While classical MLG demonstrates that authority is dispersed across governance levels, it under-theorises how power is exercised in practice. In response, this report reframes the analysis from asking who has formal authority to asking who actually shapes outcomes, through which capacities, and under what conditions. Agency is thus defined as the capacity to shape governance outcomes, operationalised through two dimensions: influence capacity (ability to shape decisions) and exposure capacity (degree to which actors are affected by them). Formal position does not guarantee agency, and actors without formal competences may become influential when they mobilise relevant capacities. This framework allows the identification of four empirically grounded categories of actors: strategically embedded actors, norm entrepreneurs and knowledge brokers, regulated participants, and peripheral observers. By operationalising agency through these dimensions, the refined MLG framework enables the identification of causal relationships between actors' capacities and their ability to influence governance outcomes, rather than merely describing their formal position within institutional structures.

Empirically, the findings show that agenda-setting in EU's MLG remains strongly centralised and hierarchical. EU institutions – particularly the EC – together with national governments dominate agenda-setting by defining priorities, controlling legislative processes, and structuring policy debates. These actors combine high influence with high exposure, positioning them as strategically embedded actors. Agenda-setting effectiveness is primarily determined by early access to decision-making processes, continuous engagement, technical expertise, and financial and organisational resources. The empirical evidence demonstrates a causal mechanism: actors with early access and sustained engagement are able to shape agendas, while those entering later stages are structurally constrained in their ability to influence outcomes. As a result, European-level organisations, large business actors, and well-resourced stakeholders are structurally advantaged, while municipalities, NGOs, and local communities tend to enter processes late and with limited influence.

The twin transition reinforces these asymmetries. Its technical complexity and cross-sectoral nature raise entry barriers and favour actors capable of translating their interests into dominant economic and technological policy frames. Consequently, economic reasoning tends to dominate agenda-setting, strengthening business influence while constraining social, environmental, and community-based actors. Informal lobbying, crisis-driven decision-making, and accelerated policy cycles further reduce the influence of actors relying on slower, evidence-based engagement, such as academia and civil society. This demonstrates another causal mechanism: actors with higher technical, organisational, and framing capacities are better able to translate participation into



influence, while actors lacking these capacities remain formally included but substantively marginal. Across all cases, a consistent pattern emerges: actors with stronger administrative, financial, organisational, and knowledge capacities are better able to convert participation into influence.

Collaboration across governance levels follows a similar pattern of asymmetry. It is strongest at the EU–national level, where institutional roles and coordination mechanisms are clearly defined, and weakens significantly towards regional, municipal, and local levels. This reflects a gap between formal coordination structures and the actual capacity of actors to engage across levels. Actors at subnational levels often have high exposure to policy outcomes but limited influence and coordination capacity, restricting their ability to act as agents. As a result, collaboration frequently remains procedural and compliance-oriented rather than deliberative or co-creative. Empirically, this reveals a causal relationship between capacity and collaboration: insufficient administrative and coordination capacities lead to weaker cross-level interaction, which in turn limits actors' ability to influence governance outcomes.

Across cases, the twin transition places additional strain on collaboration. Local and regional actors are frequently involved in implementation and project delivery, yet remain marginal to strategic coordination and agenda-setting. The EU's reliance on single national plans and centralised reporting frameworks simplifies coordination at the top but constrains territorially differentiated solutions and limits the ability of subnational actors to adapt policies to local realities. Where collaboration does occur across levels, it is often project-based, instrumental, and temporary, lacking long-term institutional embedding. This indicates a further causal mechanism: funding-driven and short-term governance arrangements produce fragmented collaboration, which prevents the accumulation of influence capacity over time. Social and labour dimensions of the transition remain particularly weak, as declining trust and selective engagement undermine cooperative governance where social legitimacy is most critical.

The analysis of agency confirms that these patterns reflect systematic asymmetries rather than isolated governance failures. Strategically embedded actors – EU institutions, national governments, and large economic stakeholders – consistently shape governance outcomes. Norm entrepreneurs and knowledge brokers influence policy through framing and expertise but have limited direct impact. The largest group consists of regulated participants – municipalities, NGOs, local communities, and vulnerable groups – who bear the consequences of the twin transition but have limited influence over its design. This empirical pattern validates the influence–exposure framework: actors most affected by policies are often those least able to shape them.

Across countries, agency is determined less by formal inclusion than by access to resources, expertise, networks, and early entry into decision-making processes. Agency is therefore dynamic and context-dependent: actors can move within the influence–exposure framework as their capacities and positioning change.

Taken together, the findings reveal a persistent imbalance between top-down and bottom-up dynamics in EU's MLG. Agenda-setting remains predominantly top-down, while bottom-up actors enter too late to shape core decisions. Bottom-up enablement exists but remains fragmented, dependent on intermediaries, coalitions, and context-specific conditions rather than stable governance structures. As a result, bottom-up actors struggle to scale their influence or translate local innovation into systemic change unless they acquire capacities associated with more influential actors.

Nevertheless, the report also identifies potential for improved cooperation in the future. The main challenge of MLG is not the absence of governance structures, but the way existing structures are used. Strengthening MLG requires enhancing actors' influence capacities – particularly by enabling earlier engagement, improving coordination across levels, simplifying procedures, and making governance processes more accessible. Institutionalising social innovation within existing governance frameworks – by embedding co-design, experimentation, peer learning, and feedback loops into current planning, funding, and implementation mechanisms – emerges as a particularly relevant pathway for strengthening bottom-up agency without creating new institutions. Ambitious and coherent long-term policy signals, combined with stronger monitoring, evaluation, and learning mechanisms, could reduce reliance on fragmented project-based governance and strengthen trust. Recognising and addressing agency asymmetries – rather than assuming inclusive pluralism – opens space for rebalancing top-down and bottom-up dynamics in the twin transition.

In conclusion, this report demonstrates that MLG remains a valuable framework for understanding EU governance when refined to account for agency, capacity, and informal influence. By linking power to actors' formal and informal influence, it provides a more explanatory and operational understanding of governance dynamics. Unlike traditional MLG approaches that primarily describe institutional arrangements, the findings allow to identify causal mechanisms – such as early access, resource capacity, and network embeddedness – that explain how governance outcomes are produced. Ultimately, achieving a just twin transition will depend not only on ambitious policies, but on whether governance systems enable a broader range of actors – particularly those most affected – to become effective agents of change.

5. Recommendations

This chapter summarises the recommendations based on interviews with experts. While national contexts differ, experts are consistent in emphasising that improving MLG does not require additional institutional layers. Instead, they stress the need to use existing frameworks more strategically by strengthening coordination, transparency, learning, and early engagement across governance levels.

5.1. Cross-cutting recommendations

EU level

At EU level, there is no need for further expansion of institutional or procedural complexity. Instead, credibility, predictability, and integrity of existing governance mechanisms should be enhanced. Earlier and clearer communication of emerging policy ideas should be encouraged. Early-stage openness is critical for meaningful engagement rather than downstream compliance.

Stronger monitoring, evaluation, and learning cycles are important, particularly regarding EU funding instruments. Evaluation should focus less on procedural compliance and more on substantive outcomes, territorial effects, and lessons learned. Without such learning-oriented feedback loops, EU resources risk undermining trust rather than improving governance performance.

National level

At national level, the role of governments as coordinators rather than mere transmitters of EU rules should be enhanced. This includes better internal coordination across ministries, more strategic engagement with EU agenda-setting, and clearer guidance for subnational actors. Simplification of procedures is essential to reduce over-reliance on national intermediaries and to allow municipalities and civil-society actors to participate without excessive administrative burden.

Subnational level

Dedicated resources should be allocated for cross-level facilitation, including time, staff, and coordination. Participation cannot rely solely on goodwill or voluntary engagement. Meaningful involvement of municipalities and civil society requires institutionalised support for joint processes, predictable interaction, and capacity-building, without adding new formal governance bodies.

5.2. Case-country recommendations

Finland

EU and national levels

MLG can be strengthened by better resourcing existing capacities, not by creating new structures. A key issue is to improve the ability of cities and regions to systematically monitor EU developments, identify relevant initiatives, and engage proactively in agenda-setting. Tracking EU legislation and funding is already close to a full-time task, making dedicated capacity a prerequisite even for well-functioning municipalities.

The EU and national authorities should build on existing local and regional ecosystems rather than launch fragmented initiatives. Finnish cities and regions already possess climate strategies, sectoral programmes, and participation mechanisms. Duplication through new EU-driven plans or forums is inefficient and particularly burdensome for larger cities, whose main constraint is coordination overload rather than lack of ideas.

Clear, ambitious EU-level targets and regulatory frameworks are more effective drivers of local action than numerous small project-based instruments. Predictable long-term objectives provide stable signals for planning and investment, especially for large urban centres.

Subnational level

Legal obligations to cooperate are insufficient without funded facilitation and mandatory early involvement requirements. Embedding multi-level participation criteria into EU funding instruments – requiring national, regional, and municipal actors to be involved already at project design stages – is essential for avoiding purely top-down implementation.

From the Åland perspective, there is a need for greater differentiation within Member States. Respecting constitutional diversity and allowing territorially adapted implementation pathways is crucial for EU legitimacy, especially where regions bear political responsibility and social consequences without corresponding influence.

Existing evaluation practices are overly procedural. There is a need to shift towards case-based, territorially grounded evaluation, focusing on how EU policies interact with specific local contexts rather than relying on tick-box reporting.

Latvia

EU and national levels

Improving MLG relies on transparency and intelligibility, not institutional expansion. Transparency is not merely an access to documents, but early, stable, and comprehensible communication that allows actors to follow how interests are negotiated and decisions formed. Communication should translate EU policies into socially and economically meaningful terms, particularly in the twin transition. Explaining costs, benefits, and trade-offs is essential to counter narratives that externalise responsibility to “Brussels”.

A deeper recommendation concerns Latvia’s self-positioning within the EU. Latvia should shift from a passive recipient stance towards a proactive role in EU agenda-setting, including more strategic lobbying and coalition-building.

Subnational level

Participation mechanisms over-rely on voluntary engagement. There is a need for structurally embedded participation while simultaneously simplifying procedures to lower cognitive and administrative burdens. Capacity-building for NGOs, municipalities, and local initiatives is necessary, including training, advocacy support, and coordination platforms. Trust-building is a central relational task, requiring sustained interaction between ministries, municipalities, and communities beyond formal consultations.

Norway

EU and national levels

Governance complexity is a core problem. Overlapping procedures and unclear mandates privilege well-resourced actors and discourage broader participation. Simplification, clearer responsibilities, and earlier engagement of bottom-up actors are essential to improve legitimacy and policy quality.

The national level is a frequent bottleneck. National coordination capacity should be strengthened so that national authorities can better align EU frameworks with regional and municipal realities, rather than reacting late to EU initiatives.

Subnational level

Municipal and community-level capacity gaps are a major constraint. There is a need for sustained investment in training, advisory support, and institutionalised participation arrangements that do not depend on individual motivation. Social-science expertise should be embedded to address relational issues such as trust, power asymmetries, and long-term engagement.

Poland

EU and national levels

There is a necessity to move from formal consultation towards structurally embedded co-governance, especially at early agenda-setting stages. Earlier inclusion must be accompanied by procedural simplification; otherwise, participation risks remaining symbolic.

Overcoming sectoral fragmentation is important through integrated spatial planning, linking climate, energy, digitalisation, and land-use policies in a way that reflects local realities.

Subnational level

Access to data – particularly in energy planning – is a structural precondition for bottom-up engagement. Without transparent and timely data, municipalities and communities cannot act as genuine partners. Mandatory, structured feedback should be ensured to explain why stakeholder proposals are accepted or rejected, thereby strengthening learning, transparency, and trust even where participation does not directly alter outcomes.

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Annex

A1. Coded list of interviewed experts

In accordance with DeCrises Data Management Plan and the Research Protocol, approved by the Research Ethics Committee of Rīga Stradiņš University, the expert interviews were anonymised, and only the level of governance represented by each expert is disclosed in the coded list of experts.

Experts with cross-cutting or comparative expertise (not focused on a single case study country)

G-A – academia, think-tank or consultancy
G-EU – EU institution
G-M_PA – municipal institution and professional association
G-M_NGO3 – municipal institution and NGO
G-NGO1 – NGO
G-NGO2 – NGO
G-SP – social partner

Experts with case country-specific expertise

Finland

FI1-N1 – national institution
FI2-A – academia, think-tank or consultancy
FI2-N – national institution
FI2-R – regional institution

Latvia

LV-A1 – academia, think-tank or consultancy
LV-A3 – academia, think-tank or consultancy
LV-NGO1 – NGO
LV-NGO2 – NGO
LV-NGO3 – NGO

Norway

NO-A1 – academia, think-tank or consultancy
NO-A2 – academia, think-tank or consultancy
NO-A3 – academia, think-tank or consultancy
NO-M1 – municipal institution
NO-R1 – regional institution

Poland

PL-A1 – academia, think-tank or consultancy
PL-A2– academia, think-tank or consultancy
PL-B1 – business sector
PL-L1 – local community or activist
PL-R – regional institution

A2. Interview questions

1. Could you describe your experience with governance processes?

2. How would you characterise the overall governance process of the EU's twin transitions (green and digital)?

3. In your view, is this process transparent and inclusive?

BLOCK 1: Questions about setting the agenda

4. How effective are the following stakeholders in the governance process of the EU's twin transition? Please, rate the stakeholders with marks from 1 to 10.
   [Effective = able to achieve their aims]

	Level	1	2	3	4	5	6	7	8	9	10
1.	EU institutions										
2.	Baltic Sea Region organisations/formats										
3.	National institutions										
4.	Regional institutions										
5.	Municipal institutions										
6.	Social partners (employers and employees associations)										
7.	Professional associations (advocating interests of wind warm constructors, forest owners, organic farmers, etc.)										
8.	Business sectors										
9.	Academia/think-tanks										
10.	Non-governmental organisations										
11.	Local communities/activists										

5. Could you explain your ratings: Why do some stakeholders receive higher scores than others? What are the enabling factors of their influence?

6. Which stakeholders are excluded from the agenda-setting process, and why? What are the disabling factors?

7. Could you reflect on the gaps in the EU multi-level governance process that hinder these stakeholders from being fully impactful? (refer to your experience, if applicable)
   a. Social partners;

b. Professional associations;
c. Business sector;
d. Academia/think-tanks
e. NGOs;
f. Local communities/activists.

BLOCK 2: Questions about collaboration between governance levels

8. How would you assess the collaboration between different governance levels? Which levels demonstrate stronger ties, and which show weaker connections?

		Very strong	Strong	Weak	Very weak	Non-existent
1.	EU - National					
2.	EU - Regional					
3.	EU - Municipal					
4.	EU - Local communities					
5.	BSR - National					
6.	BSR-Regional					
7.	BSR - Municipal					
8.	BSR - Local communities					
9.	National - Regional					
10.	National - Municipal					
11.	National - Local communities					
12.	Regional - Municipal					
13.	Regional - Local communities					
14.	Municipal - Local communities					

9. Please explain your ratings. What factors contribute to more effective collaborations?

10. At the bottom-up level, do you observe any stakeholders enabling others? (e.g., businesses supporting local energy communities)

BLOCK 3: Questions about enhancing the impact of bottom-up actors

11. What changes would you recommend to the EU's multi-level governance process to better include bottom-up actors and foster social innovation?

12. Do you know EU infringement procedures that affect your field of activity? Do you consider it to be an effective tool for making the EU's governance process more inclusive?