Reyver Arley Serna Lerma

LEGITIMIZATION OF NORD STREAM 2:

STAKEHOLDER INTERACTIONS AND PERCEPTIONS IN FINLAND

Abstract

This master's thesis studies the stakeholder interactions for the development of the Nord Stream Project 2 in the regions of Kotka and Hanko. The objective of this study was to analyse the stakeholders' perception of the project in the Finnish municipalities involved in the construction of a second pipeline that transport natural gas to Europe through the Baltic Sea. Thus, this study aims to evaluate the social and political relationships of large-scale energy projects, at the regional and international level, as well as examine the institutional role of corporations in the new social, political and economic paradigm.

Qualitative content analysis was chosen as a research method. For that, face-to-face and online interviews were conducted, and press releases and reports were chosen to collect the data needed for this study. The data reflected the role of businesses in international relations. This issue has been analysed through the lens of international political economy and with the help of the English School. These premises support the understanding of the main theory, stakeholder theory, that focuses on the relation of the corporation with the stakeholders in the social, political and economic dimensions. To do so, this theoretical framework combines the Post's model of stakeholder mapping and Mitchell, Agle & Wood's model of stakeholder identification with the main theory in order to explain how these relationships are shaped.

This research proposed two research questions, RQ: *what legitimizes an actor to execute transnational energy projects that cross different jurisdictional zones?* (RQ1) and *how residents of Hanko and Kotka Finnish government and Nord Stream 2 AG cooperated to provide with social license to operate for the project*? (RQ2)*. RQ1 was answered by first, in current political economies such as Finland, legitimation entails that state actors and market forces keep an effective relation in order to successfully execute macro-energy projects. Second, the security of supply of energy products highly depends on the cooperation and coordination between state authorities and market forces. This is only possible to achieve by open and constant communication flow, as well as mutual understanding. Whilst, concerning RQ2: third, corporate disclosing and stakeholder accountability and engagement were essential to achieve the cooperation between the authorities, the project company and the citizenry. Fourth, this cooperation was also achieved thanks to the development regional development strategies coordinated by the project company and the regional authorities.

This research contributes to firstly, understand the relationship between democracy and corporate planning; secondly, to comprehend the new socio-political context where organisations operate. This is important when developing internal and external processes; and thirdly, it opens new perspectives for research in IR and energy issues.

Table of Contents

Figures and tables

Abbreviations

bcm   Billion cubic meters

CSR   Corporate Social Responsibility

EA   Environmental Assessment

EIA   Environmental Impact Assessment

EIA   Energy Information Administration

ES   English School

EU   European Union

EEZ   Exclusive Economic Zone

IFC   International Finance Corporation

IPE   International Political Economy

IR   International Relations

LNG   Liquified Natural Gas

NSP1   Nord Stream Project 1

NSP2   Nord Stream Project 2

PS   Performance Standards

QCA   Qualitative Content Analysis

rTPA   regulated Third Party Access

SEP   Stakeholder Engagement Plan

ST   Stakeholder Theory

TEP   Third Energy Package

U.K.   United Kingdom

US   United States

"If you don't know, it's scary. That's exactly why darkness is scary, you don't see, you don't know what it's in there"

- Markku Koskinen

1. Introduction

1.1 Background of the research problem

Nord Stream 2 Project, NSP2, is an energy project aimed to plan, construct and operate a twin pipeline in the seabed of the Baltic Sea that connects European consumers with the Russian gas fields (Nord Stream 2 AG, 2017). This submarine pipeline, approximately 1200km in length, is aimed to transport natural gas from Russia to Germany, and then deliver it to the rest of Europe. Concretely, Nord Stream 2 passes the exclusive economic zones, EEZ, of Finland and Sweden, as well as territorial waters of Denmark until they reach Lubmin, close to Greifswald in Germany. The pipeline has the capacity to transport 55 billion cubic metres, bcm, of natural gas annually.

Nord Stream 2 AG is a "project company established for the planning, construction and the operation of the Nord Stream 2 pipeline" (Ramboll, 2017, p. 31). The project company is founded in Zug, Switzerland, and it is owned by Gazprom, a Public Joint Stock Company, PJSC, that supplies close to the 15 percent of the world's natural gas. Furthermore, Nord Stream 2 AG count with the financial participation of other energy companies such as ENGIE, OMV, Shell, Uniper and Wintershall. Despite the benefits that these projects will provide to the energy supply in Europe, some environmental and political disagreements have been raised up by some states located in the Baltic region. Concretely, states such as Sweden or Denmark, whose economic areas are crossed by the pipeline that land in German territory, have shown most scepticism. At first, these states feared the Russian influence over the Baltic region, and a possibility to have a conflict similar to the Ukraine conflict in 2014. However, these challenges were overcome once these states got full information about the shape of the project.

The idea of executing large-scale gas transports from Russia to Western Europe has its beginning in the 1970s with the negotiations between Germany and Russia. Germany used to import Dutch gas from Groningen; however, it was not enough to supply the German market. In order to cope with the demand, the German gas company Ruhrgas AG made a deal with the Russian Gazprom for the supply of several billion cubic metres of natural gas a year from Russia via on-shore pipelines that went through the Iron Curtain to Germany (Nord Stream AG, 2005, p. 15). Nevertheless, reaching the 1980s, oil and gas prices raised due to the poor supply, therefore the Swedish Swedegas and the Finnish Neste started to work on a business venture that would bring Russian gas to both countries. However, the dissolution of the Soviet Union and the economic crisis that took place in both countries erased any possibility to continue with the joint venture. In addition, the anti-gas lobby that emerged in Sweden and the crash in the oil and gas prices at the end of the same decade deleted any hope to bring Russian gas. These ideas were put on hold until Finland joined the European Union, EU, in 1995,

enlarging the European Community, and therefore, increasing the chances of supplying Russian gas to Western Europe (Nord Stream AG, 2005, p. 17). Finally, in the early 2000s, this idea progressed thanks to the economic growth of the European countries. Nevertheless, the production-consumption of gas was still imbalanced, therefore, there was still the need for a joint project to cover that necessity (Ramboll, 2017, pp15–16). In addition, to securing the supply of natural gas to Western Europe, these types of projects were compatible with the environmental aims of the European Commission, which seeks to follow the 1997 Kyoto protocol goal of reducing greenhouse emissions by 20 percent. Natural gas produces 30 to 50 percent less pollution and greenhouses than coal or oil (Pratson, Haerer, & Patiño-Echeverri, 2013, p. 4926), therefore, it contributes importantly to the sustainable energy goals and supply.

Since the 1990s the EU has aimed to create a single gas market as part of its overall single market drive. This process was initiated with the First Gas Directive in 1998, although it resulted ineffective. With the Second Gas Directive (2003) good steps were done towards the regulatory approach of the gas market, although it was still limited. Between 2005-2007 the EU Commission begun to make proper steps for the development of a proper competitive frameworks in the gas and electricity sectors. As a result, in 2009, the Third Energy Package, TEP, emerged in order to provide the energy market with a more effective framework **(**Andersen, Goldthauand & Sitter, 2018, p. 316). The goal of this policy framework was to liberalise the gas and electricity market as in the US and the UK gas markets. However, here, the pipelines remain as natural monopoly of the regulatory body. While the production or supply of imports to the market, and the sale of gas within the them are left under competition between different companies (European Parliament and Council, 2017). Shortly, the idea is that consumers can choose within a variety of different gas supply companies as they do with their, for instance, phone providers (European Parliament and Council, 2010).

The liberalisation of the gas market aims to allow different companies to use the pipeline networks to transport gas from where it enters the EU internal market to the end users. This is known as a regulated Third Party Access, rTPA, which is enabled by the TEP. In this sense, the regulation of price, terms and conditions for using the pipelines is set by the regulator to guarantee that all companies are treated equally and fairly. Whilst the companies have access to the use of the pipeline. The idea is to create a market place where buyers and sellers meet. In this case, the EU gas market has created virtual hubs where market prices for gas are set, and all gas companies can easily buy and sell gas. As a result, the EU has a competitive gas market where no single company is able to dominate, and the market price is driven by the normal laws of supply and demand.

Nord Stream 2 follows the same rationale as project 1: "securing additional energy supply, strengthen the competitiveness of the gas market and support the EU climate goals" (Nord Stream 2

AG, 2018, 2). In Finland, the Project based a pipe storage yard at the port of Koverhar in Hanko that receives pipes shipped from Kotka. On the other hand, in the port of Haminakotka, the Project uses the Mussalo harbour as a facility for its coating plant and pipe storage.

In Hanko and Kotka, Nord Stream 2 AG has kept constant engagement with local and national Finnish authorities and other stakeholders. For these engagement, the company has followed the guidelines set by Environmental Impact Assessment, EIA (Nord Stream 2, 2017, p. 8), as well as those established by national regulatory requirements, international conventions and standards such as the Espoo Convention (1991), and the guidelines of the International Finance Corporation, IFC.

The consultation authorities-stakeholders-NSP2 began when the company initiated the following the EIA procedure. This consisted of two phases, in which, first, the project provided the authorities with an assessment programme. In the second, and more important for this study, the assessment report was put on public display in the project's probable area of impact. In addition, a public announcement was released in electronic form via newspapers in the area of impact. In addition, consultations were held in the locations of Kotka and Hanko where comments and opinions were heard. This process was when the EIA coordinating authority gave its statement on the assessment report (Nord Stream 2, 2018, pp.10–11).

In this study democracy and environmentalism meet. For that reason, it is important to understand the relative power of environmental assessments, EA, and civil consultation. Namely, in certain countries and areas, such the ones present in this study, corporations cannot act deliberately without a proper balance with other powers presented in the geographical area. Moreover, it indirectly assesses the transboundary impact of the building of the pipelines. Finland is a special case because it was here where some regulatory guidelines were given for these kinds of projects. In the Espoo Convention in 1991, it was stablished the obligation to "inform one another a proposed activity that might cross national boundaries" (Ifflander & Soneryd, 2014, p.102). Particularly, this is an agreement between the UN member states that does not stablish binding decisions or sanctions. In the Espoo Convention, projects similar to Nord Stream 2 were the most complex issues to regulate. The wickedness of this resided mainly on the lack of previous knowledge on these types of projects, which makes it difficult to establish the organization of an international environmental assessment consultation.

1.2 The importance of Finland in Nord Stream 2

The Nord Stream 2 is a project that crosses five jurisdictional territories (Denmark, Finland, Germany, Russian Federation and Sweden). From these states, I have found the Finnish case the most interesting in terms of history, importance and innovation of the idea of transporting energy resources across the Baltic region, as well as their impact in the relationship between democracy and corporate planning. The latter has been the key of my study, due to, the execution of the projects has been subject of a complex multi- dynamic net in which a suitable legal framework has been needed.

Finland has a special role in the Baltic region, and therefore in the construction of the pipelines. This especial status is the result of Finnish especial political culture that favours technological development and R&D policies. In this type of context, members of the energy industry, ministries and institutions involved in energy development are enabled to operate with a market-based approach that brings economic growth by market forces (Ruggiero, Varho & Rikkonen, 2015, p. 441). Accordingly, the idea of connecting EU and Russian energy markets by the Baltic sea pipelines has proceeded thanks to this type of political environment. This climate is facilitated by active synergy held between the citizenry, the government and the company. Thus, it is this interaction between stakeholders what leads this study to focus on the Nordic country, particularly, in the management framework where state, knowledge institutes, presumers and industries are imbedded. Furthermore, the Project also brings an opportunity to increase scientific investigations in the Baltic Sea. According to Lott (2011), the scientific facet of pipeline project opens a door to investigate sediments and topography of Baltic seabed. Which is an opportunity for Finnish institutes to gain more knowledge on these matters.

The role of Finland in this project is also vital to keep a closer supervision to the project in all its phases. For instance, for Nord Stream 1, Finland demonstrated its regulatory and supervisory capacities by requesting the Nord Stream consortium to conduct surveys on the Estonian side of the Gulf of Finland in case the pipeline should be re-routed because of geological and environmental reasons (Lott, 2010, p. 59). However, this permit survey was applied in Estonia but not granted.

1.3. Outline of the research

1.3.1 Formulation of the research problem

The Espoo Convention of 1991 set the duties that the Parties should follow when assessing "the environmental impact of determined activities in the early phases of the planning of a project" (United Nations, 1991, pp. 4-5). This attempted to stablish a type of treaty regime that can be adapted to complex and changing conditions. In other terms, the Espoo Convention attempts to control situations that may present dangerous transboundary environmental impacts in one state by the proposed activity of another state. In other words, this convention tries to manage these situations by demanding cooperation between the parties before the activity is executed. For that, the Espoo Convention demands that Environmental Impact Assessment, EIA, procedures take place (Koivurova & Pölönen, 2010, pp. 153–154). "The proposer of the project must conduct a study on the impacts of the project with the affected state and allow the public of that state to participate in the process" (Koivurova & Pölönen, 2010, p. 162). After the assessment, the proposer needs to consult the comments of the affected state and its public and the public of the state of origin. For the development of NSP1 and 2, the Espoo Convention was the most suitable legal framework in order to deal with matters related to pipelines, roads or other linear infrastructure related to the transport of energy resources across different jurisdictions; nuclear power plant facilities; wide industrial settings placed on commo water areas; and large energy projects that might make an impact in the sub-regional policies.

The previous considerations drove my interest in studying how the NSP2'S EIA procedure was perceived in the Finnish municipalities of Hanko and Kotka. For that, I will use stakeholder theory, ST, and the international political economy, IPE, to study the examine the how the proposer engaged the stakeholders. In Finland, the project company was requested to make a consultation to residents of the mentioned Finnish municipalities. In addition, the Finnish authorities asked about public's opinion in other affected countries. For instance, in November 2006, Finland requested from the other affected countries the "comments concerning the scope of assessment of the environmental impact of their EEZ and the comments from their respective publics" (Koivurova & Pölönen, 2010, p.166).

Overall, in the EIA process, first the project developer makes the EIA programme, which goes out to public consultation. After the statements from public consultation has been received, it is then commented by the EIA authority. After that, the project developer makes an EIA report, where the topics addressed by the coordinating EIA authority have been taken into account. The EIA report is then sent also to public consultation, to which the general public can again provide comments. The EIA authority takes these statements into account, and based on those makes its own statement, which concludes the EIA procedure. After the EIA procedure is completed, the project developer can apply

for the necessary permits, in this case for the Government's consent for the use of the EEZ via Ministry of Economic Affairs and Employment, and the permit for pipeline construction and operation through the Regional State Administrative Agency (in this case Southern Finland according to the Water Act).

Because of these previous considerations and the complexity of the project, this study seeks to provide an answer to the following questions:

- What legitimizes an actor to execute transnational energy projects that cross different jurisdictional zones?

- How residents of Hanko and Kotka, Finnish government and Nord Stream 2 AG cooperated to provide with social license to operate for the project?

1.3.2 The idea behind this research: "corporate stakeholder model of democracy"

The idea behind this study is to continue developing the social aspect in the energy field. In particular, I attempt to illustrate how a different model of democracy takes place in situations that involves social, political and corporate powers. In this case, it is interesting to see how a new model of democracy based on stakeholder interaction takes place in the energy field, where the "citizens' involvement is more limited than in other policy-making processes" (Ruostetsaari, 2017, p.93). That is to say, there is a group that dominates over other. In this case, I could distinguish the existence of an elite in the energy sector that has a special access to decision-making arenas (Ruostetsaari, 2017). As a consequence, groups located out of that elite -civic associations, consumers and citizens – has a difficult access to these areas in the policy-making process. Nevertheless, we see how in Nord Stream Project 2 this stereotype starts tearing apart and the citizenry becomes more involved in the development of the project. However, citizens do not take part in the decision-making, but they are interested in the process. This opens a door to study the type of democratic processes desired by the citizens.

These considerations raised my interest to study why some communities support the stakeholder model of democracy. According to Bäckstrand (2006, p. 472) describes "this as democratic mode of governance at local, national and global levels that cannot follow electoral or parliamentary patterns." Shortly, it is a hybrid form of inclusion of key social actors and stakeholders' interests in the decision-making process. This adds legitimacy to the actions of a proposed initiative. Concretely, the Finnish case is an illustrative example to observe the functioning of this model of democracy. Here, it is interesting to see how the citizenry delegates the decision-making not to politicians but to business specialists. Bearing this in mind, I discern a clear symptom of 'lost of trust' in politicians and classical

model of democracy and the demand for another type of democratic model. This represents an opportunity for firms and interest groups to achieve their desired goals. In this case, the corporate power works from the lower levels of democracy, the citizenry, to impact over energy policy. In this way these actors achieve their interests and objectives while introducing new models that fill the democratic gap.

Finland is a good illustration of this political effect. In this case, citizens rely on the technological development to encourage the evolution of energy and scientific policies. One of the reasons that sustains the high level of citizen's trust in these areas lies in Finnish political consumerism. Ruostetsaari (2017, p. 94) defines this as "actions taken by those who make choice among producers, products and services with the aim of changing objectionable institutional or market practises." In other words, those decisions made by the managerial spheres are always directed to satisfy citizens political demands. Political consumerism normally takes place in places were citizens participle actively in civic associations. However, it is not necessary to have high levels of "voter turnout, civic efficacy or political knowledge" (Ruostetsaari, 2017, p. 94). In the case of Finnish citizenry, political consumerism is addressed to deal with environmental issues that emerge from the consumption and production of energy.

The mix of searching new democratic models plus the political context where the Baltic pipelines projects are immersed has opened the door to new areas of research. This effect led this study to continue filling the gap in the field of energy and citizenry. Particularly, it is possible to see an interesting change in Finnish perception of their political knowledge in energy issues. From 2007 to 2016 citizens acquaintance with these topics rose from 44% to 57% in Finland (Ruostetsaari, 2017, p.102). This fact can be one of the reasons that could explain, firstly, why Nord Stream Projects 1 & 2 obtained permission to cross Finnish EEZ; secondly, to understand why the company and the government must engaged in the decision-making process; and thirdly, the socio-political effects caused by them.

1.3.3 Justification of the study

This study on the second set pipeline in the Baltic Sea is important to understand the new conceptualization of security in the political economy of the world energy systems (Strange, 1991, p. 213), and its effects on the social and political dimensions. In addition, this research help to grasp the principle of responsibility that energy companies should follow when operating in the EU's energy market.

The new approach to security should be done from a wider perspective that includes social and political dimensions. In this perspective, the security structure does just not require that the state has sufficient military capability to prevent invasion of the territory or attack by other states. Now the threat comes in a new way in which energy could undermine defence policies and foreign policies. For that reason, "these two should be aligned with the energy issues in order to maintain the state security" (Strange, 1991, p 226). Therefore, this study attempts to give a more analytical framework that studies the impact of state's actions on the markets for sources of energy supply, and *vice versa*. Shortly, these changes in the security structure have changed the state-company-market relationship that has been empowered by the changes in the knowledge structure with the development of new ways of transporting fossil fuels such as gas (Strange, 1991, p. 223).

The changes mentioned before influenced the way energy companies are organised. This can be seen in the functions of energy companies which have shifted from 'vertically integrated' organisations into 'externalised' organisations. The latter have an "increased reliance of networks and market relationships as a way of coordinating production" (Pettman, 2012, p. 60). In practical terms, energy transnational companies, as in the agricultural or other industrial sectors, do not organise the production in 'in-house' facilities. Instead, they outsource the production "through chain of contractual, market and network relationships spread across a number of countries" (Pettman, 2012, p. 60). This shift to outsourcing is organised by stablishing short-term subcontracting agreements. Nevertheless, in some cases, businesses can arrange longer-term network relations in order to enable specific and coordinated processes whilst some sort of flexibility and responsiveness to changes in market conditions are maintained. In relation to this study, it is necessary to grasp these new arrangements in order to comprehend why the project company has placed its activities in Kotka and Hanko. Besides, why it should maintain relations and interactions with the other stakeholders in a network in order to legitimize its operations.

The stakeholder networks of the EU energy market drive companies to act following the principle of *Corporate Social Responsibility*, CSR. This can be explained as "a new social contract between business and society in the form of altruistic behaviour" (Crowther, 2013, pp. 6-8). The central and essential principle of CSR is to establish this contract with all the stakeholders of the society, and it is aimed to the present and future generations, as well as, the preservation of the environment. This concern relies mainly in those stakeholders who have power to influence organizations. However, it also implies to give equal importance to shareholders. CSR is a voluntary activity rather than enforced through regulation. Peter Druker argues that "we must think through what management should be accountable for: and how and through whom its accountability can be discharged" (cited in Boylan, 2014, p. 95). In this case, it is important to think on the ethical side of business and its externalities in

a broader and longer term. Most importantly, that mentioned accountability, should be equally discharged in our natural environment, as well as, in the global community in order to preserve a planet where we can keep doing business.

Overall, CSR constitutes one of the precedents, and later attribute, of stakeholder theory and management. Post et al. (2002, p. 25) argue that the foundations of CSR and strategic management in the extended enterprise of the 21st century is "a humanistic commitment to the integrity of the individual, which necessarily implies respect for individuals, groups other organizations and the general public". Wood (1991) suggests that the concept of corporate social responsibility emerged to reveal what is expected from a "good citizen" company. These expectations were recognized as the duty to avoid stakeholder harms and contribute to the well-being beyond companies' policies and economic targets. Later, the evolution of the responsibility principle paved the ground for the emergence of stakeholder theory. This transformation began to explore more specifically to whom and what the company should be responsible for, and the risks and interest at stake. (Freeman 1984; Mitchell et al., 1997; Wood 1991). Thus, CSR and stakeholder theory and management can serve as social control mechanism to ensure a beneficial institutional behaviour of business in society, as well as to prevent harmful effects of business practices.

1.4 Structure of the research

1.4.1 Research design: integration of stakeholder theory in IR

The overall aim of this research is to investigate the interaction between corporations and other stakeholders such as government and civil society in the process of developing large-scale energy projects in Baltic Sea region. More concretely, this research will examine how organizations like Nord Stream 2 AG obtains the legitimization from citizens to implement the pipeline project in the Finnish exclusive economic zone (EEZ). In addition, this research will study the interaction between stakeholders in such democratic state as Finland - in this case the corporate power, the government and society- to overcome wicked challenges that can be found in the energy supply and environmental issues.

Moreover, this research indirectly aims to incorporate new theoretical approach to the field of International Relations, IR. In particular, this research attempts to introduce Stakeholder Theory in IR scholarship. Particularly, by the assistance of the International Political Economy, IPE. Shortly, the objective is to continue developing more work in the area of stakeholder theory by providing a meaningful framework in IR to understand the interaction between the company, the state, and the civil society. The reason for this is to understand "the shifting nature of contemporary *world* politics

where the role non-state actors is becoming central" (Leander, 2006, p. 370). In this case, the work will focus on what legitimizes an actor when executing a project that involves different jurisdictional zones. This research seeks to contribute to the shift in the analysis of stakeholder theory from the focus on managerial decision-making to the consideration of the organization - stakeholder relation (Friedman, 2002, p. 3).

To frame stakeholder theory in IR, this study will take a social and political approach from the IPE lens to address the line of inquiry of the stakeholder model of democracy. Agné et al. (2015, p. 466) define stakeholder model of democracy as "the regulation of global or regional affairs by state and non-state actors." These include governments, international organizations, companies, NGOs, and expert networks. In particular, this side of the study seeks to investigate the power dynamics that takes place in the interaction between different stakeholders. In other words, this investigation examines the involvement of citizens, directly or indirectly, in the decision-making process of an initiative that comes from a corporate power.

1.4.2 The English School to support the integration of out-of-field studies into IR

In my study, the English School, ES, was used to bring theoretical clarity to the hypothesis posed in chapter 2. But most importantly, it was used to assist the method of analysis. The purpose of this was to define the categories and codes under the concepts of international society, social context, morality and power. In other words, the ES is a way to introduce the hypothesis about CSR and ST into the realm of IR through methodological practice.

The use of ES while using qualitative content analysis comprises the justification of the hypothetical propositions and the process for dealing with it in the "determination of what constitutes proof" (Navari, 2013, p. 205). These propositions are based on human affairs, which cannot be deducted and perceived by positivists approaches as in natural sciences (Bull, 1986). In this case, what is being examined is the international society understood as the result of subjective and intersubjective ideas excluded from positivist scientific approach. In particular, the methods selected analysed the joint enterprise of a collective, as well as the norms, culture and agents involved in it.

ES prism aims to look into codes of conduct of the actors involved in the study, as well as the political and social environment within which conduct gains its credentials (Navari, 2013). These codes of conduct are illustrated in the effects they cause. Thus, their characterization implies the understanding of the sociological situation. In other words, "the social context becomes important in understanding social action" (Navari, 2013. p.212). By Little (1998) and Buzan (2014) this characterization is also illustrated in the international system, international society, and world society.

These three concepts express different courses of action and social realities that keep a dynamic relationship and is determined by the actors' conduct.

The ES approach focuses on structures that explain events and results by the main actors' goals. These structures require the use of a pluralist methodology for the researcher and her research question. Thus, this allows the analyst to "speculate upon and to identify patterns, as well as causal factors in the explanations of events and developments" (Navari, 2013, p. 209). For that, ES methodology implies the immersion in text records, memoirs, newspapers, spending time in the institutions or organizations subject of study, listening to what their members "say and what they think they are doing" (Navari, 2013, p. 209). Somehow, they demonstrate the meaning and principles of the organizations' activities. In this way the researcher becomes a practitioner whose work is based on documentation, testimonies of the main political figures of the moment, news and interviews. These materials seek to unfold the purposes and ideas of those who take part in the international relations. In sum, the ES methodology concentrates on the actors' self-justification and the rules comprised in the international society.

For this case, the ES lens was approached from its rationalist perspective to understand the international society and its relations to morality and power. This implied a systemic organization of concepts and categories which were useful to explain how and why things function in certain ways. This rational perspective has a constructivist epistemology which analyses discursive processes and the production of shared meanings. In this way, it was possible to comprehend the human effort that shapes the analysis of this study. Namely, this approach sought to grasp "human beings as individuals who live in societies which they both shape and are shaped by" (Buzan, 2014, p.13), as well as the recognition of states' common interests and identities.

2. International political economy to understand the role of business in IR

2.1 Premises of the study: International political economy

This research on Nord Stream 2 is contextualized in the area of political economy, concretely, in its branch of international political economy, IPE. Political economy can be defined as "the social, political and economic framework within which human life takes place" (Gray et al, 1996, p. 47). In particular, it defends that politics, society and economy cannot be separated. Therefore, economic practise cannot be explained properly without taking into account the social and political perspectives.

Susan Strange (1988, p.18) asserts that the IPE branch "concerns the social, political and economic arrangements affecting the global systems of production." In particular, these arrangements concentrate on international organizations, the politics of international economic relations, and inter-governmental relations. With the same importance, international political economy focuses on transnational relations, those are "the relations across national frontiers between social and political groups or economic enterprises on either side of a political frontier, or between any of these and the government of another states" (p. 21). Hence, in the transnational relations, banks, firms, universities and other scientific communities also have a compelling role. As a result, these can also be important units that determine the outcomes in political economy.

To sum up, analysing an IPE topic helps to make sense of the relations between firms, states and citizens, and finding out what legitimizes an actor in a transnational project. This can be done by engaging actors involved in a project to include new units of analysis in the decision-making process (Cox & Schechter, 2003). Such new units should include individuals or groups of individuals that can be affected by state and corporate activities as this research attempts to show. States and markets interact in order to enable transnational relations to happen. These relations are executed by other actors beyond the figure of the state. Nord Stream 2 illustrates how this interaction takes place between the project company, the state forces and other key stakeholders in order to make the project operational. Thus, the project company carried out the different activities, studies and actions required by the permitting process of the state. In addition, it developed the infrastructure and had the responsibility to engage the stakeholders in the project. This was necessary in order to acquire the social license to operate in the area.

In this study, it is also important to comprehend power through the channel of financial access. That is to say, to understand how the world works by looking through the financial markets. This implies the existence of a nexus between markets and authority where power exists in equilibrium between the market forces and the political authority. In the case of the Nord Stream 2, the state-market

nexus is characterized by the power gained by the EU gas market. This power has provided with an opportunity to set international cooperation in the Baltic Sea region in a world of fragile intergovernmental collaboration. In other words, it can be said that the project company is one of the products of the market forces whose international scope has contributed to the intergovernmental cooperation in the Baltic Sea.

2.1.1 Power and legitimacy

In this research, the notions of state authority and market forces become important to comprehend the social, political and economic implications of large-scale energy projects. Concretely, these become relevant to make sense of the interaction between the social, governmental and corporate powers to create a positive framework that enables the operativity of the pipeline in the Finnish EEZ. In addition, this case reflects the continuation of state authority over the markets, because the project company had to obtain legitimacy through the permitting process and stakeholder engagement imposed by the state.

Power resides in principles, norms, rules, processes of deliberation, and it plays a relevant role in the economic life. Indeed, it is power what decides the nature of the mix of wealth, order, justice and freedom required for a successful economic development. Furthermore, the correlation between authority and market is also defined by power. According to Strange (1988, p.23) "in many political economies, the sources of power derive from different groups that concentrate power from force, from wealth and from ideas." Therefore, without power and authority, markets cannot dominate the functioning of a political economy. Strange and Watson (2016) suggest that in a complex context, the economic system cannot work effectively unless there is a political authority. Accordingly, it is necessary to reinforce the contact between market participants, authorities and individuals to reach a balance in power between markets and states. Such balance is only possible with a better understanding of the importance of human dignity, cooperation, and creativity, which are the cornerstone ideas of a properly functioning capitalist system. In terms of my research, the contact between these three parts is pivotal in order to comprehend the behaviour of each actor in the Project – especially the project company. Therefore, visualizing this connection helps to find an answer to the question of *how residents of Hanko and Kotka, the Finnish government and Nord Stream 2 AG cooperated to provide with social license to operate for the project?* Which in this case relies in a constant information exchange, disclosing, and the recognition of the state authority for setting the rules that all actors must play by in the Finnish national territory.

Power shapes political economy in the form of structural power and relational power. The latter can be explained as the capability of one actor to make other actor to do something it would not do by

its own initiative. Conversely, structural power is ability to "shape and determine the structures of the global political economy within other states, their political institutions, their economic enterprises and their scientist, and other professional people" (Strange, 1988, p. 25). Accordingly, the structural power comprises the ability to set the nature of the international regime, as well as the customs and norms that regulate this regime. In other words, structural power is the ability to determine "how things shall be done, the power to shape frameworks within which states relate to each other, relate to people, or relate to corporate enterprises" (Strange, 1988, p. 25). These structures are enhanced by the relative power that each party possess. In this study, it is important to grasp the ideas embedded in structural power in order to comprehend the nature of the link between the project company, the state authority and the social actors. This is also a complement to understand the company's behaviour in the Finnish context.

The notion of legitimacy is addressed by the question of state/society complex, which is also relevant to understand the behaviour of the project company in this case. Cox and Schechter (2003, p. 35) define this as the "extent to which the state is securely sustained by its population." In this sense, the population sets the conditions by participating in the political process, as well as by watching the political institutions. It is also how the population considers the political authority and its agents, as well as assesses how to place its legitimacy. Thus, companies such as the Nord Stream2 AG must understand the state-society relation in every place it operates in order to see what kinds of processes and requirements needs to follow to be able to operate.

Nowadays, civil society is regarded differently from the state and the corporate power due to these two constitute a complete authority structure. In other words, "civil society is considered as groups that are autonomous from the state and the corporate power, with the capacity to express and achieve collective aims of social progress and emancipation" (Cox & Schechter, 2003, p. 36). Some groups seek to influence state policy, other have humanitarian, ecological or peace concerns at the global level, and other focus on the local well-being. Nevertheless, "all of them may make politicians more accountable and encourage public confidence in the efficacy of the political process" (Cox & Schechter, 2003, p. 36). The civic action and protest of these social groups can become relevant when the political process fails. As a result, the legitimacy declines when suspicions about the state and its agents emerge; when the apathy to politics rise; the political class loose credit when they cannot resolve social problems, or it is corrupted… Therefore, it is convenient to say that declining legitimacy undermines political authority, and it can be accelerated when transnational corporate powers and international finance do not keep the public unaccountable.

The importance of legitimacy leads to think that organisations do not exist isolated from the society. Therefore, these should meet the expectations of the society, not only the owners and

investors' needs. When these expectations are met, the organisation's survival is no longer threatened. In other words, an organisation can continue its existence when its operations are perceived to be in line with the society's values. The latter are in a continuous change that can create a 'legitimization threats' if the organisations do not adapt to them. These threats can be also fuelled by financial scandals or any other issues that can affect the organisations' reputation. "These kinds of gaps or threats can be a risk to an organisation, unless it implements a proper legitimization strategy" (Fernando & Stewart, 2014).

In my research, the legitimization of Nord Stream 2 can be understood as the company's continuous attempt to ensure that they are perceived as "functioning within the bond and norms of the society in which they operate" (Deegan, 2009). Therefore, my hypothesis comprises the idea of "social contract" agreed between the organisation and the community. This agreement is both explicit and implicit. The former copes with legal requirements, while the latter is related to the community expectations. In conclusion, the project company should work for these explicit and implicit terms are not disrupted, so that the economic activities remain legitimated. In practical terms, the project company must follow the stablished social engagement processes and the permitting processes required by the state. Namely, Nord Stream 2 AG needs to be legitimated in order to make the pipeline operational, achieve its organisational goals and immerse the organisation in the society itself. In this last one, with legitimization, the project company seeks to be perceived more as an opportunity than a threat.

2.2 The sources of structural power

To grasp a clear picture of the context where the NSP2 is immersed, it is important to understand the sources of the structural power explained in the previous sections. According to Susan Strange (1991, p. 29) structural power has four different types of sources that correspond to the ideas of control: "control over security, control over production, control over credit, and control over knowledge, beliefs and ideas." In this case, it is important to understand these theoretical premises of power to make sense of the possible answers to the research questions on *what legitimizes an actor to execute transnational energy projects that cross different jurisdictional zones?* and *how residents of Hanko and Kotka Finnish government and Nord Stream 2 AG cooperated to provide with social license to operate for the project?* presented in the findings of chapter 6: QCA of interviews and documents.

The security structure is the scheme of power that some human beings exert control over others. When a violent conflict presents a threat for people's personal security, those who can offer protection can use this capability in other issues such as the management of primary resources or the

administration of justice. Strange (1991) defends that when threats to security are higher, the price for defence force increases. This last one may also become a threat for those who seek to protect, if it accumulates too much power (see also Balaam & Dillman, 2013). In the case of states, those that are more insecure tend to be perceived as 'revolutionary' states which highly rely on military government and secret police. For the case of NSP2, the security structure is more related to the security of energy supply instead of military security. Although both go hand by hand because of the change in the security paradigm in the Western hemisphere. These notions are better explained in the findings of this study.

The production structure is defined as "the sum of all the arrangements determining what is produced, by whom and for whom, by what method and on what terms" (Strange,1991, p.32). In other words, there are some actors or parties that decide what should be produced, by whom, under which conditions, and by a certain combination of land, labour, capital and technology. In addition, those holding the production power determine how everyone should be rewarded, which is an essential question in political economy as well as who decides the means of defence against insecurity. Therefore, the power of some classes over other is based on the mode of production. This means that the class that holds the control of the production can use its capabilities to consolidate and maintain its social and political power. Furthermore, the controlling class is also able to stablish institutions and other legal and administrative processes. However, these can be challenged by other classes when these institutions and processes are not balanced in the society (see also Kutner 2013, pp. 125–129). This facet of power also plays a pivotal role in the study of the NSP2 to understand the social rationale of the project and the importance of the human capital in its development (see in chapter 7: Conclusions).

Financial structure comprises the control over credit. This is one of the most important facets of power in the last quarter of this century due to "it is decisive in the international economic relations and corporate competitiveness" (Balaam & Dillman, 2013, p. 152). The financial power determines outcomes in security, production and research is considerable. This facet of power breaks the old-fashion idea of investing accumulated capital. In this cases credit is invested rather than money due to credit can be created without being accumulated. For this study, this facet is one of the most important to analyse due to, as the security structure, it is one of the driving forces that leads the construction of the second pipeline across the Baltic Sea. This structure is better unfolded in the next section.

Finally, the knowledge power is the capability to develop, acquire, grant or deny access to any sort of knowledge. "Whoever can control the channels by which it is communicated to those given access to it, will exercise a very special kind of structural power" (Strange, 1991, p.33). This goes in hand with the notions of human capital mentioned before. In a nutshell, projects such as the one subject

of this research, requires a context where people comprehend why things function in a certain way. This premise leads actors to reach a mutual understanding in order to proceed with the execution of these types of macro-projects.

These four -facets of power are significant to each other. The structural power does not rest on one single facet because each interacts and balance with the others. "Although one or some can be dominant over others" (Strange, 1991, pp. 34–36). These structures encourage power relations between and within states and organisations, in which the state authorities and producers should reach an agreement in order to sustain the state's authority, as well as to reward producers with enough incentives that encourage them to keep the production of goods and services for the consumers.

2.2.1 The Financial structure

As explained in the previous section, in international political economy, the financial structure is the capacity to allow and deny people to borrow today and pay later (Strange, 1991; Balaam & Dillman, 2013; Galindo Martin & Nissan, 2010). It is also the capability to enable people to purchase making and effect in the markets. Furthermore, "it is the ability to control the currency in which credit is denominated, thus affecting rates of exchange with credit denominated in other currencies" (Strange, 1991, p. 90).

This structure of power has two fundamental features: it determines how credit is created in the political economy and the relative value of the different currencies. Banks and governments are in charge of creating credit. Whilst, the exchange rates between moneys are defined by governmental policies and by markets. Namely, it depends on how much freedom governments grant to markets (Galindo Martin & Nissan, 2010, p.10). Shortly, it is convenient to think on the financial structure as the aggregate of arrangements that controls how credit is available and the conditions that define the exchange between currencies. The arbitrage of these arrangements will determine the profitability of currency exchanges, driving the energy companies to decide where to whether to put their investments in the financial structure or in the production structure.

Regarding the position of Finland in the NSP2, as in every materialist society that seeks to increase wealth, it has to have a system of creating credit. "Whether it is capitalist, centrally planned or a mix of both, credit is literally the lifeblood of any kind of developed economy" (Strange, 1991, p. 100). Hence, a society or community that wants to enhance its living standards, and consequently achieve economic growth, at the same time that it preserves its political freedoms should have a developed monetary system. This one is normally accompanied by the dispersion of political power

empowered by the dispersion of the economic power with the accumulation of capital granted by it (Strange, 1991; Menegaki & Ozturk, 2013).

Unfortunately, developed monetary systems tend to increase inequality because those people with accumulate capital also increases the "bargaining power it confers" (Strange, 1991, p.106). This has been normally used to exploit the labour or other resources, which increases the gap between rich and poor people. Strange (1991, p. 107) argues that depending on the political structure, this inequality sooner or later increases the demands for a more developed welfare structure to cope with the flaws brought by the monetary development (See also in Galindo Martin & Nissan, 2010, pp.152–155). In a more comprehensible way, the more the power is dispersed in the political arena, the sooner these inequalities and risks emerge, increasing the demands for welfare measures. On the contrary, when the political power is more centralized, the longer it takes for these demands to appear.

To sum up, the financial structure has been dominated by the neoclassical view of the capitalist system in which business and ethics are held separately (Freeman, 1994, p. 139), therefore, little attention has been put to ameliorate the inequalities mentioned before. The worsening of such inequalities has caused the demand for a paradigm change where these problems are addressed (Brejning, 2012, p.103). Thus, this study on the NSP2 is located in that period of paradigm transition where the question of integrating moral and business has become relevant for the development of the economic activities.

2.2.2 Energy

Energy is an essential factor for any kind of developed economy. Whether planned, mixed or market oriented, the basic industries of modern economies needs big inputs of energy not matter it source: oil, gas, nuclear power… (Strange, 1991, p. 208). This vital role of energy makes that governments-companies and markets become the three key players in the business of energy supply. Strange (1991, p. 216) asserts that "for most part, in political economy it is legitimate - and certainly convenient – to simplify the concept of an authority-market nexus by talking in shorthand of the state."

The management of the market, concretely in the oil sector, the most important authority has often been the oil companies or group of companies rather than the state, as represented by the national government (Strange, 1991, p. 221). However, both, companies and governments, have been at the mercy of the markets at different times and different degrees. With the transition to the use of gas instead of oil, the market plays a much more significant role. In this case, companies and governments and stakeholders cannot be out of the picture. However, companies still have a compelling power, due

to, they still have the control of the technology of exploration of offshore production, and marketing and they have the capital necessary for the "risk taking in an essentially risky business."

The energy sector is living also under a regime change. That is to say, "a change in the principles, norms rules and decision-making procedures where actors' expectations converge" (Krasner, 1983). This call special attention for "inter-governmental mechanisms and agreements and the decision-making procedures of international organisations" (Strange 1991, p. 222; Anderson, Goldthau & Sitter, 2018, p. 316). In Europe, most of these changes have been caused by the return of geopolitics in 2000s and the 2010s. Anderson, Goldthau & Sitter (2018) argue that to overcome these challenges, the EU had to find policy answers in which the regulation of the energy sector is approached with more mercantilists perspectives in order to cope with the existing realities in the energy sector. For that, energy should be considered as a strategic good and a potential foreign policy tool. The reason for this lies in the EU's goal to to build an operating energy market based in rules and norms. This seeks to introduce the Member states and the strategically important suppliers and transition countries under the same regime.

The primary four structures described above have a compelling effect on powerful states, firms' market strategies and "the overall triangular balance of power over outcomes between states, companies and markets" (Strange, 1991, p. 223). Bearing this in mind, it is possible to see the effects on the policies of other states, on the outcomes of international organisations and on the political economy of related markets. In relation to the gas market, concretely in this study, the changes have driven the energy companies such as Nord Stream 2 AG to behave in a different way than energy companies did before. In practical terms, the setting of a regulated open gas market in Europe demands the inclusion of new social and political dimensions into the companies' activities. These dimensions imply the introduction of measures related with CSR, Stakeholder relations, environmental measures…

2.2.3 Buzan's approach to the legitimation of transnational projects.

The English school, ES, offers the necessary tools to understand the phenomena of bringing non-state actors to the centre of transnational relations (Leander, 2006, p. 373) as exemplified by the NSP2. The ES can be considered as "a network of scholars that supports the view of a sociological way of thinking about international relations than the mechanistic idea of international system dominant in the field of International Relations, IR, since the Second World War" (Buzan, 2014, p.7). Buzan (2004, p. 5) declares that "ES is a via media between realism and liberalism approaches in IR." This via media find its roots in rationalist ideas from thinkers from twentieth century such as Grotius, Locke, Hume, Burke and de Tocqueville, who first addresses the questions on how to understand the concept of international

society. Thus, the English school is a frontier framework that separates the dangers of liberal utopianism and realist fatalism by setting a middle ground that focuses in the questions of order and justice rather than expansion and power, which has been the main focus in history of IR.

ES places its concerns in the principle of responsibility. Particularly, in the responsibility of the state in international society, ensuring that people's legitimacy is considered, but most important, that the principles of justice and order meet in the society[1]. Concretely, the ES places the dilemma of order and justice in a framework that interrelates wider divisions of analysis with a historical approach to understand new realities in international relations and public policy.

The ES leads to think more in terms of universal principles and deeper level of analysis that discern between individuals, state and bigger organizations. These considerations drive the ES to focus on questions such as 'what is the relationship between citizen and the state?'; 'How do we lead the good life?'; and 'how is progress possible in international society?' (Buzan, 2014, p.18).

The concepts of international system, international society and world society are the principal foundations of the English school (Costa, 2015). These concepts focus on the ideas about "institutions of international society, on regional international societies, on solidarism and pluralism in international society and on the history of international society" (Buzan 2004, pp. 7–9). Thus, this school of thought departs from a global analysis to focus on the regional scope by implementing social theories about regional norms and institutions. Consequently, the achievements of this approach are translated to a more elaborated comprehension of the framework that comprises norms and institutions than in those exposed by the previous liberal Western view. The interplay between these three traditions shapes a set of logical notions supports the understanding of the material and social structures comprised in the international system. In this case, this set of concepts helps to grasp the rationale behind the legitimations of the NSP2, as well as the social and political impact of the pipeline.

Unlike the realist approach to world politics -based on power politics and anarchy, the English school addresses the question on international society with a positivist epistemology, rationalist and structural perspective. In particular, this question is addressed from institutional point of view of mutual interests and identity among states. As a result, the ES introduces the beliefs of creation and maintenance of shared norms, rules, and institution as the main focus of study. Shortly, states also live in society as individual human beings do. Therefore, states and humans need to be approached as a social structure too. The same logic applies when talking about world society: "individuals, non-state

---

[1] According to Buzan (2004, p. 5) "English school theory is a set of ideas that fill the minds of people as they think about participating in world issues."

organizations, and the global population should be taken as a whole as the focus of global societal identities and arrangements, and places it at them at the centre of study" (Buzan 2004, p. 10).

Barry Buzan's (2014) explanation of world society is the key to link ES with the debate about globalisation and the debate on the European Union. Globalisation can be defined as the "de-territorialisation of social life which has created new actors and networks alongside the existing territorial ones" (Buzan, 2014, p 20). Therefore, territoriality and supra-territoriality structures coexist simultaneously contributing with the development of globalisation. In sum, "the English school theory helps to address issues that involve territorial and non-territorial elements" (Buzan, 2004, p. 12).

English School brings back the question of responsibility on the stages of national, international, humanitarian and environmental level. These levels coexist and are always in interplay, hence, the ES tries to assess how strong are these relations with each other. To do so, the ES distinguishes two types of societies: the first-order society, who are those individual human beings and are at the centre of world society; and the second order society, who are those where members are collectives of humans, let's say states / organizations, who obtains the identity and qualities of an actor that go beyond to just the sum of those provided by each individual human beings (Buzan, 2014, pp. 15–16).

How the members of these types of societies interact with and within each other? English School theorists find an answer to the solidarist and pluralist perspectives. Buzan (2004, pp. 45–47) argues that the "solidarism refers to a mode of associations that goes beyond the state system or cooperation on shared projects[2]." In other words, different possibilities of cooperation between individuals beyond the state level and are concerned with the notion of justice. Whilst, pluralism alludes to "communitarian disposition towards a state-centric mode of association" (Buzan, 2014, p.16). Here, sovereignty and non-intervention are the pillars that keeps cultural and political diversity. In order words, the *status quo* that maintains the interstate order

In ES, pluralism and solidarism address the issue of the kinds of norms, rules, and institutions shaped by the international society following "the principles of sovereignty and non-intervention" (Buzan, 2004, p. 45). Particularly, the ES seeks to find out the balances between order and justice in this international society. The interactions of different groups of analysis are also reflected in the nature of primary and secondary institutions. These are organisations or establishments found for a specific purpose such as agreeing on general customs, law or relationships in a society or community. Primary institutions are those related with durable social practises shared by the members of the international

---

[2] Solidarists base their thinking in cosmopolitan values. These are 'the view that humanity is one, and that the task of diplomacy is to translate this latent or immanent solidarity of interest and values into reality" (Buzan, 2004, p. 47).

society. This is also considered the legitimated behaviour. While, secondary institutions are the products of the interorganizational relations. Namely, the arrangement designed by state and other organizational actors to serve specific functional purposes.

Pluralist-solidarist debate deals with the character of the international society and its potential. In particular, this debate focuses on "the current and potential extend of shared norms and rules and institutions within systems of state" (Buzan, 2004, p. 46). In ES this debate is attached mainly to the questions of international law as the foundation of international society, particularly, if this should be natural law, or positive law. These two concepts are different rather than contradictory, specially, when dealing with the idea sovereignty. In this perspective, in the solidarist perspective, "sovereignty is more of a social contract than an essentialist condition, and the terms in which it is understood are always open to negotiation" (Buzan, 2004, p. 49). Whilst, the pluralist approach sets the scheme where collective problems can be solved by arranging an organised coexistence. Thus, pluralism creates the framework for an organised existence and competition, or the management of problems that affect the collective. These two perspectives coexist in order to offer a via media that links the realist notions of state-centrism and the cosmopolitanism.

In the case of the NSP2, the notions of common rules and norms are reflected in the Corporate Social Responsibility, CSR, guidelines by which the company operates. CSR is a principle that guides the project company's actions when interacting in the network with the other stakeholders. This is important for the company in order to respect the state's authority, at the same time that makes effective the power of market forces, as well as to reach a common understanding with the other social actors. This concept helps to articulate the new social contract between the state and markets, society and business.

3. Theorizing the new social, political and economic paradigm

Businesses, governments and societies should work hand-by-hand in order to achieve social progress, produce new ways to create value, and preserve the natural environment in a constant changing world. Nevertheless, these goals become hard to reach when there are not unique solutions to problems such as climate change, world political instability and the global economic recession. In this scenario, since the 90s, companies began to focus on a more sustainable way of management. They sought to minimize the environmental, social and political impacts of business activities in order to provide possibilities for present and future generations. However, since the 2010's, firms observed that these problems appeared to show signals of being out of control, so that, scholars and practitioners began reconsidering the role of business in the environment and the society. In this new conceptualization, businesses are regarded in a more sustainable perspective where social and environmental issues become a priority rather than an option (Stubbs & Cocklin, 2008). Nord Stream Project 2 operations in Finland represent a good illustration of this cooperation between a project company and other social and governmental actors. The rationale of their interactions seeks to build a sustainable working scheme for the benefit of all in the development of the gas pipeline. Thus, analysing this scheme helps to answer the research questions of *what legitimizes an actor to execute transnational energy projects that cross different jurisdictional zones?* and *how residents of Hanko and Kotka Finnish government and Nord Stream 2 AG cooperated to provide with social license to operate for the project*?

Businesses, societies and governments are operating in an interconnected context in which the actions of one can cause an effect on the others, and vice versa. Consequently, businesses have been pushed to become more competitive. Specially, when more than ever, media and society play an essential role in the legitimization of their activities. Furthermore, Post (2012, p. 537) asserts that "business cannot operate apart from the rest of society. Indeed, commerce is an integral dimension of society and the environment since many centuries." Considering these premises, businesses have sought for new strategies to legitimize their actions in order to keep their license to operate. This has only been possible to achieve once companies began to adopt a purposeful behaviour driven by value and responsibility. Concretely, a way to materialize this new conception into business performance started by paying attention to business in society more in its institutional role rather than a mere self-interest part of it (Agle, Donaldson & Freeman, 2008).

> Institutions do not exist to serve their own purposes, but rather to serve the needs of societies and their peoples. Business, like all other societal institutions (including the family, religion, education, government, etc.), serves vital functions but is never completely free to act as independent entity (Donaldson, 2008: cited in Agle et al., 2008).

The complexity of the context also comes from the technological shift that has made possible the emergence of global communications. As a result, companies have become more visible, and have been driven to operate in a more transparent way, diminishing the boundaries between companies and other actors (Cowhey et al., 2009; 2012). According to Andriof et al. (2017) the reduction of these boundaries has changed the way in which companies cooperate and set alliances with other actors. These new-fashion joint actions are performed in networks where civil society and governments are also taken into account. In short, the increase in connectivity and reduction of boundaries have stablished higher demands of transparency and accountability to operate in the current environment. Such demands have been fuelled by the raising activist movements with anti-globalisation claims, which fight on issues related to labour and human rights, transparency, anti-corruption, environmental protection and sustainability. Thus, this shift has driven companies to engage in more collaborative partnerships, not only with other companies, but with other stakeholders with different interests than the traditional corporate ones.

3.1 Unfolding stakeholder theory

In this research, Stakeholder theory, ST, is used to explain the structure of the relationship that legitimizes the project company. ST deals with the shaping of the relation between the firms and its stakeholders (Jones & Wicks 1991; Crombie & Discroll, 2001). From another perspective, it can relate to the management of potential conflicts created from the existence of different interests between stakeholders. In the case of my research, these definitions become complementary to IPE and ES ideas explained in the previous chapter. Thus, this helps to comprehend how the stakeholder interactions enabled a suitable framework to proceed with the Nord Stream 2 operations. Besides, this framework provided guidelines to avoid potential conflicts of interests with other stakeholders.

However, what is really known about stakeholders? R. E. Freeman (1984) defined stakeholders as "groups or individuals who can significantly affect or be affected, positively or negatively, by an organization's activities" (see also Harrison & St. John, 1996; Mitchell et al., 1997; Post et al., 2002; Boesso & Kumar, 2009) On the other hand, a narrower strategic or instrumental perspective defines stakeholders as "those groups or individuals that are in a mutually dependent, risk-based, or exchange relationship with a firm" (Freeman, 1984; Wasieleski, 2017). Therefore, the management of stakeholder affairs implies the identification and prioritization of stakeholder matters that depend on how their power is perceived by the management. The existence of multiple definitions for stakeholder indicates that it is a multifaceted term. Nevertheless, all these different interpretations agree on the idea that organizations must keep frequent and high-quality interactions with the stakeholders. These must be characterized by proactiveness, interactivity, genuineness, and frequently satisfaction (Miles,

2012.). Mitchell, Agle & Wood (1997, p.855) conclude that, in the end, "there is not much disagreement on what kind of entity can be a stakeholder. Persons, groups, neighbourhoods, organizations, institutions, societies, and even the natural environment are generally thought to qualify as actual or potential stakeholder."

Stakeholder theory provides interesting insights to this research because it puts special emphasis on the company-community relationship. This is a particular urgent task when the management of natural resources is involved in this interaction – as in the case of this research. In this area, the community as a stakeholder has a compelling power to influence firms thanks to its capacity to give license to operate. In the case of Nord Stream 2, a positive and engaging relation with the community guarantee the success of the Project's activities. Otherwise, its goal to supply natural gas to the European markets may be disrupted.

This situation can be conceptualized with the help of insights by Crombie & Discroll (2001, p.444) which outline that community as stakeholder can be identified in different types of stakeholders: definitive, dependent or demanding. *Definitive stakeholders* comprise power, legitimacy, and an urgent claim on the organisation. *Dependent stakeholders* have claims that are urgent and legitimate. To carry their will, they need from other dominant stakeholders or certains conditions in the management of the firm. *Demanding stakeholders* comprise urgent claims without power or legitimacy that try to use coercive strength over the management to be noticed. In the case of my research this means that the project company needs to recognize these types of stakeholders in order to determine the type of relation to be kept, as well as the type of efforts to be put with each stakeholder.

In order to identify and prioritize stakeholder, power becomes an important feature to look at. Depending on the grades of power, firms respond differently to every stakeholder. Thus, the role of power becomes an important variable in ST, because it can be integrated with other variables of the theory such legitimacy. The latter can be described as the "generalized perception that the actions of an entity are desirable or appropriate within some socially constructed system of norm, values, beliefs and definitions" (Crombie & Discroll, 2001, p.447). Therefore, in ST, legitimacy and power are separate, sometimes overlapping, features whose interactions can determine the relevance of a stakeholder or 'stakeholder salience'. Nevertheless, it is convenient to keep in mind that legitimacy gains rights through power, therefore legitimacy can be also defined by those holding power.

Figure 1 represents the first and most common illustration of the stakeholder model designed by Freeman in 1984. In this illustration, it is possible to distinguish the elements of managerial capitalist model - financiers, customers, suppliers and employees – plus competitors, governments and communities added by Freeman to shape the model according to the theory.
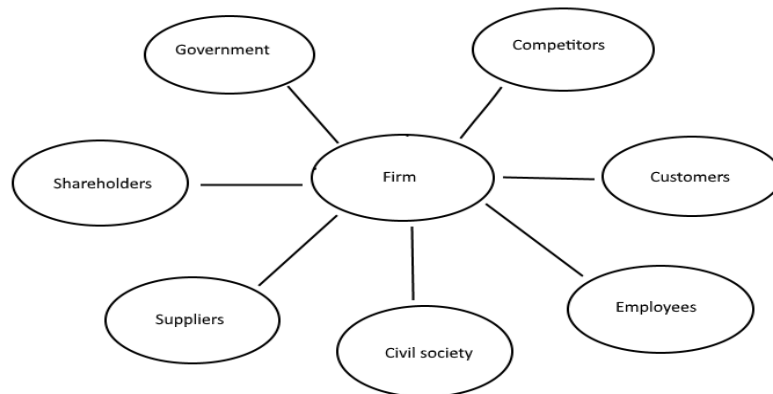
Figure 1. Stakeholder model (Freeman, 1984: extracted from Fassin, 2009)

At first, this model seemed over-simplistic, hence, Freeman and others began to add other groups such as pressure groups, as well as reconfiguring the model by placing in a box five internal stakeholders: financiers, customers, suppliers, employees and communities. Competitors were dropped out from the model, due to, "they do not provide resources to the firm, nor do they stand to gain from its success in the same way as other stakeholders" (Post et al., 2002). On the contrary, six external stakeholders were introduced around the box: Governments, environmentalists, NGOs, critics, the media and others, without arrows linking these to the central hub (Freeman, 2003: cited in Fassin, 2009). Figure 2 illustrates the re-design of the model.
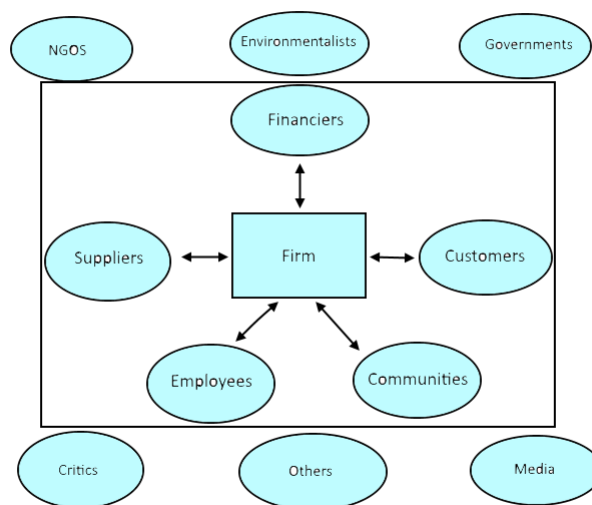
Figure 2. Stakeholder model re-designed. (Freeman 2003; extracted from Fassin, 2009, p.15)

These models comprise artificial representations that oversimplify the reality (Fassin, 2009). For this reason, recent literature has sought to introduce more sophisticated features and improvements to offer more accurate interpretations of the framework. For instance, Kujala & Korhonen (2017) have done some refinements of stakeholder relations in the CSR context. These refinements consist on a multilevel analysis of these relations and their capacity to create value over time. On the same line, the co-creation of value in stakeholder relationships (see Kujala, Lehtimäki & Myllykangas, 2017), or the collaboration of multi-stakeholder collaboration to achieve a sustainable management that contributes the fight against climate change (Heikkinen, 2017).

In this research, stakeholder theory helps to understand Nord Stream 2's emphasis on stakeholder engagement and its importance for the development of the project and its activities. It is important to know how the theory has developed from simple to more sophisticated versions. This is a reflection of the complexity of the context where the actors are immersed. In this case, two models have been selected: one for mapping stakeholders and another for identifying them. These models helped my study to frame the context where NSP2's stakeholders are located, as well as to specify their categorization.

3.2 Mapping stakeholders

In their view of the stakeholder model of the firm Post, Preston and Sach (2002) emphasize the important role of stakeholder relationships in order to create wealth. In this model, firms are seen as a "extended enterprises characterized as the nodal element within a network of interrelated stakeholders that create, sustain and enhance its value creating capacity" (Post et al., 2002, p. 6). Because of this position in the network, the company's survival and success are conditioned by its capability to set and keep ties with other stakeholders. This approach in strategic management implies the shift from a narrow view of the corporation to a broader perspective in which the organization is embedded in society and not separated from it. This definition is useful for my research as it helps to comprehend how these relations guarantee the acceptance of project as well as its survival while supply gas through the pipelines in the long-term.

According to Post, Preston and Sachs (2002, p.7) "the stakeholders in a firm are individuals and constituencies that contribute either voluntarily or involuntarily to its wealth-creating capacity and activities, and who are, therefore, its potential beneficiaries and /or risk bearers". Considering this, the capacity of a firm to generate sustainable wealth and value will depend on the type of relationships with all the stakeholders in general (Post, 2012), but most importantly, with the critical ones (Post et al., 2002). The stakeholders of a firm can be diverse, nevertheless, they all maintain relationships with

the firm that have common features and interests, as well as the risk of conflict between them. With this scenario, the challenge resides in the recognition of the common interests that includes the company and the stakeholders, as well as how to develop stable and encouraging policies that copes with them. In my study this is represented with the wide variety of stakeholders engaged in the project. The recognition of a mutual interests has made possible the approval of the project in the area. These interests converge in a way that the regions of Kotka and Hanko acquire economic development and employment activity. While the company gains access to the Finnish EEZ to transport the natural gas to the European gas market. In this case the interaction is positive, due to, the success of one part means the progress of the other.

Post, Preston and Sach's new stakeholder view poses three dimensions in the management of stakeholders. Figure 3 shows the positioning of stakeholders in relation to the dimensions of strategic setting: resource base, industry-market and social-political arena. The two first dimensions have been always present when setting stakeholder management plans. Nevertheless, the social-political dimension is an innovation added by the Post et al., due to firms are operating in webs of networks in which the socio-political forces have a compelling impact in the markets, and in the organization's performance. This new dimension tears apart the old assumption that says that external stakeholders - such as local communities and citizens, governments or other private organizations- could not be managed because they do not belong to the management hierarchy. Nevertheless, new trends in strategic management have shown that internal and external stakeholders are strongly connected with the management techniques and principles (Post et al., 2002). The closing of the gap between external and internal stakeholders have been intensified in recent years, due to, the increasing subcontracting of other services to perform activities that had been traditionally performed in-house (Harrison & St. John, 1991). In my research, the social-political arena and industry base dimensions are most relevant because the project company is operating in countries with a political economy where production and trade are related to law, custom and government. In addition, in these countries, production and trade are related to the distribution of national income and wealth. This type of context empowers the interaction of the corporate, governmental and social powers in order to create the proper conditions to develop these types of energy projects.

Figure 3 illustrates the new stakeholder view described above. This representation is used in my study to distinguish the interconnectedness of external and internal stakeholders with the project company, and its connection why other dimensions out of resource base. External stakeholders are understood as governments, local communities and citizens, and other private organizations. Unlike, internal stakeholders are formed by joint venture partners and alliances, supply chain associates, regulatory authorities, employees, investors, share owners and lenders, customers and users. In the

lower side of the figure, it is possible to observe the three dimensions taken into account in the strategic management approach distinguished in the new stakeholder view. As noted before, these three scopes deal with resource base, industry structure and social-political ranges where the mentioned stakeholders are categorized.
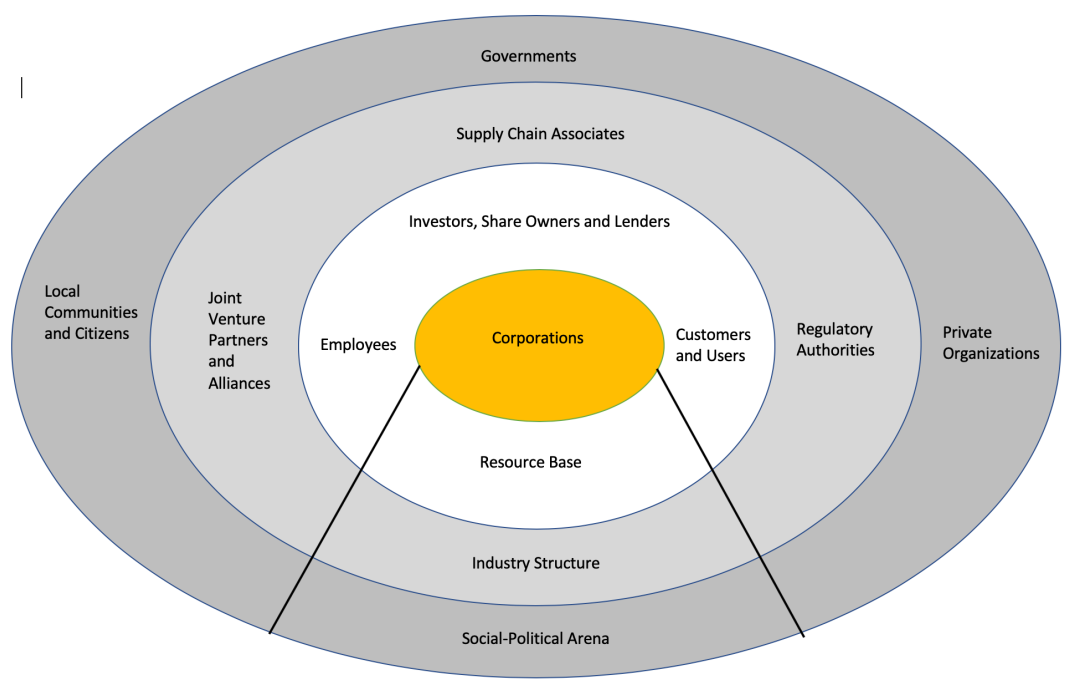
Figure 3. New Stakeholder View (Post et al. 2002)

3.3 Identification of stakeholders

The identification of stakeholders helps to categorize the stakeholders of Nord Stream 2 in the stakeholder map. This categorization supports the understanding of why some stakeholders have more relevance than others in the Nord Stream 2 project. In other words, to know "Who and What really Counts" in the regions of Hanko and Kotka. Furthermore, this identification complements the understanding of the effectiveness of the company's stakeholder engagement plan, SEP, by offering a more accurate recognition of mutual interests.

ST has been clearly criticized by the over simplicity of its model, specially, when it comes to identify 'Who and What Really Counts?' Despite of this criticism, "the visual power of the stakeholder model and its very simplicity are seen as contributing to the success of the stakeholder concept" (Fassin, 2008, p. 17). Nevertheless, the confrontation of different views in the stakeholder literature has opened a door to clarify misunderstanding of the model, as well as to propose re-designed theoretical models that enhance stakeholder theory. To contribute with the sophistication of

stakeholder model, Mitchell, Agle & Wood (1997) elaborated a model for the identification of stakeholder. This model attempts to clarify in a logical way why managers should consider certain types of entities as stakeholders. Besides, it explains the conditions under which managers categorize these units as stakeholders – *holder salience*. In other words, this model helps to distinguish stakeholder from *nonstakeholders*; and which stakeholder groups deserve more attention.

The theory of stakeholder identification brings up the differences between narrow and broad views about stakeholders. The narrow views emphasize on practical issues such as scarcity of resources, time and attention, as well as managers' patience to cope with external issues. On the other hand, broader views take more intangible dimensions – such as power, legitimacy or salience-, as well as social constructed views, into consideration when identifying stakeholders. This comparison seeks to build a comprehensive and useful theory of stakeholder identification that can help organizations avoid problems and enhance effectiveness of the firm when interacting with the stakeholders (Mitchell et al., 1997; Boesso and Kumar, 2009).

Boesso and Kumar (2009) suggest that it seems logical to think that when a company puts more attention to stakeholder groups, the amount of interactions will be higher, and therefore, there is more dialogue with the stakeholder. In this aspect, the theory of stakeholder identification can help to define the interest of legitimate stakeholders more accurately. Otherwise, "influencing groups with power over the firm can disrupt operations so severely that legitimate claims cannot be met and the firm may not survive" (Mitchell et al., 1997). To distinguish why some claims are more legitimate than others, the firm should check how power and legitimacy are connected in a stakeholder group. If a stakeholder group counts with powerful and legitimate claims, it would interact with the firm in a higher level (Boesso & Kumar, 2009). To sum up, power and legitimacy must be seen as necessary core attributes to achieve a systematic, dynamic, and comprehensive model to identify stakeholders.

The current status of stakeholder studies presents a chance to integrate a theory of stakeholder identification to refine ST. This done by presenting a combination between power, legitimacy and urgency that produces different types of stakeholder with different models of behaviour in relation to the firm (Mitchell et al., 1997). Nevertheless, power plays a compelling role when managers are assessing stakeholders. Theories such as agency, resource dependence, and transaction cost theories can show why power is such important feature in stakeholder-manager relations. But, power itself is not enough to fully comprehend salience in this relationship. As noted by Mitchell et al. (1997), "there remain stakeholders who do not have power, but who nevertheless matter to firms and managers. Therefore, other ways to identify "Who and What Really Counts" are needed.

Legitimacy stands when identifying stakeholders who deserve the attention of managers. Nevertheless, the emphasis in this attribute cannot take the attention from power, due to this may create

a gap when identifying stakeholders. Besides, some legitimate stakeholders may not have influence. This gap in the study of power-legitimacy can be filled by also analysing the attribute of urgency – the requirement for immediate attention. In practical terms, the calling for preventing losses, achievement of goals, or dealing with pressures are the variables to keep in mind when regarding the attribute of urgency. In my research, this is important due to the project company is perceiving legitimacy as a social good, and not a mere self-perception. Therefore, the company-stakeholder relationship is "defined and negotiated differently at various levels of social organisation" (Mitchell et al., 1997; Santana, 2012). Thus, for Nord Stream 2 AG, stakeholders should have a legitimate claim and act accordingly. However, this perception can change over time depending on the stakeholder management's values and strategy of the company. In other words, stakeholders' claims which are legitimate in the present might not be legitimate in the future. To sum up, as asserted by Santana (2012, p. 258), "the perception of stakeholders' legitimacy depends on the organization's management of the legitimacy of the stakeholder as an entity, legitimacy of the stakeholder's claim and legitimacy of the stakeholder's behaviour at a certain point in time."

3.3.1 Stakeholder attributes

Power, legitimacy and urgency constitute the attributes that determine the salience of a stakeholder. Their presence in every stakeholder is variable and can be mixed in several ways[3]. In Mitchell, Agle & Wood's identification model, power is conceived from the Weberian notion that "it is the probability that one actor within a social relationship would be in a position to carry out his own will despite resistance" (Weber, 1947: cited in Mitchell et al., 1997). In this sense, the authors place the question of "how is power exercised, or alternatively, what are the bases of power?" (Mitchell et al., 1997, p. 865). For that, Mitchell, Agle and Wood refer to Etzioni's conception of power. Etzioni (1964) suggests a way to categorize power more accurately should be based on the sorts of resources implied in the execution of power –coercive, financial, normative, symbolic… Shortly, "a party has power in a relationship, to the extent that it has or can gain access to coercive, utilitarian, or normative means, to impose its will in the relationship" (Mitchell et al., 1997, p. 865). The access to these change over time and are not stable. This is why power is transitory. Namely, it can be obtained as well as it can be lost.

The main ideas on legitimacy are found when something is in danger, at risk, or 'in property rights', which articulate the notions of "The Principle of Who and What Really Counts" (Mitchell et al., 1997, p.866). As in power, Mitchell, Agle & Wood adopt Weber's (1947) idea that the combination

---

[3] This facet of stakeholder theory poses similar question as Susan Strange's IPE on power and legitimacy (authority).

of power and legitimacy produces authority. This can be referred as the legitimate use of power. Hence, these two attributes can remain separately as well. For instance, an actor may have a legitimate position in the society, or even a legit claim on the organisation. Nevertheless, if this actor does not have power to achieve its will, a goal in the relationship or an urgent claim, it will not obtain importance for the organisation's management. For this reason, to comprehend salience, one should pay attention to legitimacy as a connector in the stakeholder-manager relation. In this connection, Mitchell, Agle & Wood (1997) accept Mark C. Suchman's definition of legitimacy. This definition recognizes the social system based on legitimacy is achieved when it has multiple levels of analysis that cope with individual, organizational, and societal dimensions (Wood, 1991). In sum, legitimacy is transitory and dynamic attribute relevant in the stakeholder-manager relationship. this can be present or absent, although it depends on a general social judgement (Mitchel et al., 1997).Furthermore, legitimacy also determines the stakeholder salience depending on the level of interaction with the other two attributes. As a result, it is possible to observe how legitimacy obtains rights through power and attention through urgency.

Urgency can be explained as the degree to which the stakeholder deserves immediate attention. This attribute offers more dynamism to the model of stakeholder classification by determining the necessary conditions that an urgent claim should be attendant: 1) the time-sensitiveness of the claim, and 2) the level of importance of a claim for the stakeholder-manager relationship.

In conclusion, it is important to note that each attribute can vary over time, and they can change in any actor in the stakeholder-manager relationship. In addition, each attribute can be perceived differently, due to, they are socially constructed, although an entity might not be aware of possessing these attributes or might decide not to use them. Hence, it should be kept in mind that "the more attributes a stakeholder has, the more salient it is" (Myllykangas et al., 2010, p.70). To conclude, Neville, Bell & Whitwell (2011) argue that a deeper analysis on stakeholder salience can be good opportunity to understand how organizations manage multiple stakeholder relationships. These interactions influence the organizational experience and its activities. Despite that legitimacy would not make a big impact in the organizational experiential process, those stakeholders entitled with some sort of power or urgency related to a threat can influence firm's decision-making orientation (Desai, 2010).

3.3.2 Types of stakeholders

In "The Principle of What and Who Really Counts" managers need to achieve certain organizational goals by perceiving and paying attention to different types of stakeholders. The perception of a

stakeholder depends on salience, which can be described as importance. The identification of different kinds of stakeholders depends on if these count with one, two or all the attributes

In the identification of stakeholders, it is important to consider the following categorization: latent stakeholders count only with one of the attributes. While, moderate or expectant stakeholders holds two attributes. This characteristic gives them the right to expect something. Unlike, highly salient or definitive stakeholder counts with the three attributes combined. In addition, the model counts with individuals or non-stakeholders even though these do not have any of the three attributes. Figure 4 illustrates the stakeholder identification in relation to the attributes of power, legitimacy and urgency. Stakeholders are represented by numbers that go from 1 to 8. Stakeholders 1, 2, and 3 represent the latent stakeholder, due to, they only possess one attribute. 4, 5, and 6 are expectant stakeholders with two attributes. 7 is a definitive stakeholder who counts with all the attributes. Finally, 8 represents non-stakeholders with no attributes.
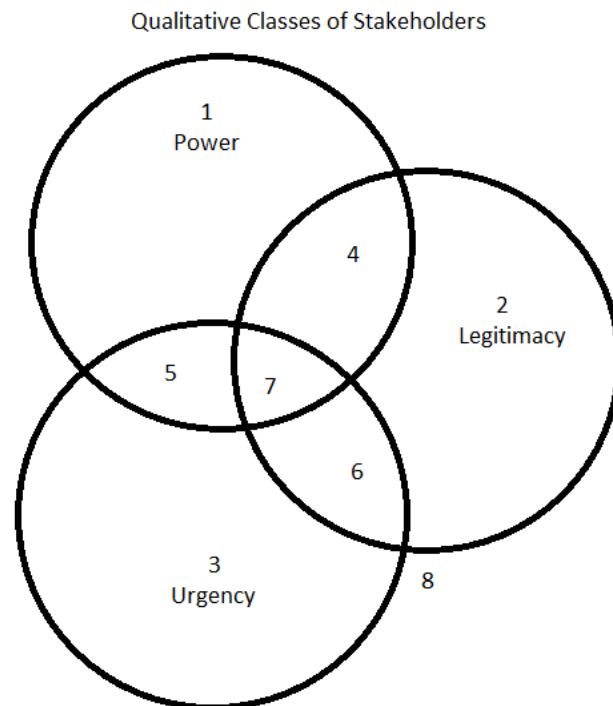
Figure 4. Mitchell, Agle & Wood's Stakeholder identification model (Mitchel et al., 1997)

Latent stakeholders

The management does not normally execute any actions with stakeholders that counts with one attribute. Their limitations of time, energy and resources makes it difficult to follow these stakeholders' behaviour and manage a relationship with them. For that reason, managers take time to recognize the

existence of these types of stakeholders. Besides, it is not probably that these stakeholders pay attention or awareness to the firm. Latent stakeholder categorized in the following classes:

Dormant stakeholder counts with power to carry its will on the company, however, it does not have legitimate relationship or an urgent claim. They keep little or no interaction to the firm, although they can obtain legitimacy or urgency and become more important.

Discretionary stakeholders have legitimacy without influence power nor an urgent claim. Managers have no pressure with these stakeholders since they do not have power or urgency, although discretionary stakeholders get engaged anyways.

Demanding stakeholders: they have only urgency for a stakeholder-manager relationship. They do not have legitimacy or power.

Expectant stakeholders

Those that count with two of the three attributes of identifying stakeholders. They have moderate salience for the managers. These expectant stakeholders are able to evolve into a definitive stakeholder when they obtain the attribute they lack.

Dominant stakeholders have power and legitimacy. These two attributes combined entitles them with influence in the firm. This is relevant for managers, due to, these stakeholders have legitimated claims and expectations, as well as formal mechanisms that recognize their importance.

Dependent stakeholders do not have power but an urgent legitimate claim. They are conditioned by other stakeholders' power in order to achieve their purposes. This power relationship is not mutual, due to, they are governed by advocacy or guardianship of their stakeholders (Mitchell et al., 1997).

Dangerous stakeholder are those with power and urgency but without legitimacy. They recur to the use of coercive power, and even violence. Using coercive power is illegitimate.

Definitive stakeholders: they are very important, high salience because they possess the combination of power, legitimacy, and urgency. Managers must attend and prioritize these stakeholder's immediately.

Figure 5 represents the location of the different types of Latent and Expectant stakeholders in the Stakeholder identification model.
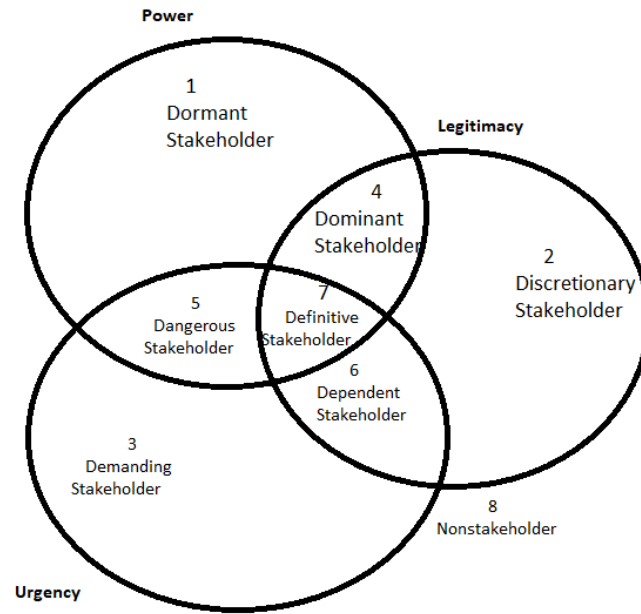
Figure 5. Classes of stakeholders (Mitchel et al., 1997)

According to Boesso & Kumar (2009) "managers of a firm do not consider all the stakeholders on the same level of importance." This can be seen in the remarkable differences in the attributes of power, legitimacy and urgency related to the different stakeholders and their salience. Furthermore, societal values count with a compelling role while setting the priority of stakeholders. This prioritization becomes more difficult due to scarce resources limits the firm's capability to attend all the claims from all the stakeholder groups. For that reason, managers need to choose between multiple overlapping and competing interests as dictated by the social norms (Post et al., 2002; Boesso & Kumar, 2009; Harrison & St. John 1991). This choice is a pragmatic task that goes in accordance with the variable nature of stakeholder attributes. Put it in another way, as suggested by Harrison and St. John (1991), stakeholder management implies the involvement of diverse people from different backgrounds, values, and abilities to process information about reality in different ways. These differences are the reason why stakeholder groups may have different claims, and therefore, competing interests in relation to the organization.

4. Methodology

4.1 Data collection

For this study, the data collection comprises the assumptions, interest and purposes arisen from the Nord Stream 2's stakeholder engagement process in the cities of Hanko and Kotka. Two analytical steps were followed for this research: a stakeholder identification (explained in chapter 5) and a qualitative method of research (qualitative content analysis) was used based on its interpretivist or phenomenologist nature. The latter can be described as the study of phenomena or direct experiences from human beings. Therefore, qualitative studies are related to "understanding the social phenomena from the actor's own perspective and examining how the world is experienced" (Taylor et al., 2015, p. 15). In other words, what is important is people's perception of reality, and the causes that moves them into actions (interests, ideas, feelings, etc.). Moreover, qualitative studies imply in-depth observation and descriptive data that "leads the researcher to understand "on a personal level" the reasons and beliefs standing behind people's actions" (Hennink et al., 2011: cited in Taylor et al., 2015). Regarding the data found in qualitative studies, the data is never found per se, but "constructions or interpretations of phenomena that can be used as data" (Flick et al., 2018, p. 7). For that reason, researchers should pay attention to the world as it happens, separately from the researcher itself and the research methods.

Flick (2018, p. 7) defines qualitative data collection as "the selection and production of linguistic or visual material for analysing and understanding phenomena, social fields, subjective and collective experiences and the related meaning-making processes." Furthermore, qualitative data collection can be implemented to find out and explain issues when analysing structures, processes, routines or practise. The action of collection is related to data that emerges naturally or is extracted by the researcher. This is done by assessing with all the senses sounds, images, written materials, or social phenomena. To collect the data, the researcher can use one or several methods. Usually, the goal is to obtain materials that allow the production of statements that can be generalizable. To achieve this, one should examine and compare several exemplary cases. The main driver of this lies in the objective of collecting qualitative data for an empirical analysis of a phenomena about the study that can be converted to data (Flick, 2018). This conversion is based on how the researcher decides on what is relevant or interesting for the study. In addition, the researcher needs to determine the aspects of the problem where she wants to focus. In other words, taking a perspective on the phenomenon and generating a research question – e.g. in people's experiences, explaining how a process happens, public's perceptions, etc. Once this is accomplished, the researcher must decide which methodological perspective she will adopt- e.g. asking to people about their experiences, observing practises and

behaviours, analysing interactions and materials such as documents, images, sounds or pieces of social communications related to the event under study.

Qualitative data collection also determines how to do the collection in concrete terms and detail. Put it in another way, it sets the guiding idea about setting the proper methods, theories applied to the data collection (Flick et al., 2018; Taylor et al., 2015). When talking about appropriateness, it is referred to giving space for the participants' experiences and perspectives, as well as to formulating and adapting the methodological strategies to what one wants to study. There are several ways to start collecting data in qualitative research: these can begin from the individual's knowledge and experiences; start from common and shared practices; or commencing from the traces left by other people and their practices. The first one is based on participants' reflection and ability to report what they have experienced and known about world around them. In the second, the data collection begins by observing what people do and the context around them. Namely, the meaningful things they do in their everyday and professional practises. The third one is the analysis of those participant's traces about their social practises. These can be documents, pamphlets, previous conversations, images, etc. Furthermore, it focuses on people's perceptions and experiences attempts to reflect "people as 'knowledgeable agents.' Put it in another way, "they know what they are trying to do, and can explain it with their actions" (Gioia et al., 2012, p. 17).

For my study, snowball sampling was used in order to collect the interview data. This is "a method of non-probability sampling where the respondents are used to recruit further respondents from their social networks" (Frey, 2018). This method had to be introduced in the research because there was not a previous existing frame, and the research targets were 'hard-to-reach' subjects.

Sedgwick (2013) asserts that "snowball sampling is a type of non-random sampling (non-probability)". In the case of my study, this meant that the chosen participants were not known in advance. For instance, to start collecting the data, multiple calls were made and several emails sent to several ministries, agencies, organisations and institutions that could had been related with the Nord Stream 2. Almost, all the interview requests were denied until one of the persons to be asked for accepted the proposal. The first participant granted me access to his network, and consequently, to more participants to interview. As a result, I obtained access to interview important personalities such as mayors, stakeholder relation managers, managing directors, and community leaders from the municipalities subject of this study. In total, 7 interviews were conducted. Table 1 outlines the participants that took place in this study.

Respondent	Respondent's position	Date	Length of the interview
Interviewee 1	Head of the Regional Development Office in Kotka	18.2.2019	41 minutes
Interviewee 2	Advisor to Nord Stream 2. Stakeholder Relations Manager Finland and Estonia	1.3.2019	57 minutes
Interviewee 3	Advisor to Nord Stream 2. Permitting Manager Finland	1.3.3019	57 minutes
Interviewee 4	Managing Director at the Port of Hanko	5.3.2019	39 minutes
Interviewee 5	Advisor to Nord Stream 2. Governmental Relations	15.3.2019	50 minutes
Interviewee 6	Side-manager of Wasco coating Finland	22.3.2019	1hour, 18 minutes (visit to Wasco facilities + interview)
Interviewee 7	Director, &Traffic Operations at the Port of Haminakotka	22.3.2019	40 minutes
Interviewee 8	Mayor of Hanko	25.3.2019	40 minutes
Tour companion	Mayor of Kotka	22.3.2019	3 hours (visit to Wasco facilities)

Table 1. Participants in the study

4.2 Research Method: Qualitative Content Analysis as complement of the stakeholder identification.

Qualitative content analysis, QCA, was chosen as the method of research for the analysis of the stakeholder interactions in the NSP2 in Finland. QCA complements the stakeholder identification

explained in the theory (chapter 3) and developed in chapter 5. QCA can be unfolded as "a method of research for analysing written, verbal or visual communication messages" (Cole 1988; cited in Elo & Kyngäs, 2007; Krippendorff, 2004). This type of method is flexible enough to be adapted to the study of stakeholder interaction and perceptions while analysis the stakeholder engagement process in the municipalities of Hanko and Kotka, as well as to be adapted to the stakeholder theory already explained in the theory chapter – "thinking on the data theoretically, not just methodologically" (Gioia et al., 2012, p.21). Mainly, QCA assists in reducing the quantity of material, focusing on more meaningful "aspects that relate to the overall research question" (Schreier, 2013, p.2). This is done by coding frames in the study. In other words, QCA sets major categories and subcategories in available data. These categories are applied to a more concrete topic in the research but keeping a relation to the overall aim of the study (Schreier 2013; Gioia et al., 2012). Thanks to its systematic nature, this method allowed the search of only relevant information. Once this was achieved, the evaluation of the data was performed following certain steps. These steps were repeated to double-check the materials in order to verify that the information founded was correct. Regarding this attributes, qualitative content analysis offered the possibility to drive a study led by concept and dataset at the same time.

The idea was to set codes for the data that matches with the material available accurately (Mayring, 2000). This was done by coding frames in the study with the help of the software ATLAS.ti designed for this type of qualitative research. Explained in another way, initial categories were applied to more concrete topics in this research but keeping those that remain related to the overall goal of the research. Basically, the material was divided in chunks and then analysed following the steps represented in table 2.

Steps	Description
1. Deciding on a research question	Decide on a research question for your study
2. Selecting material	Select a suitable amount of material that reflects the diversity of the data
3. Building a coding frame	Select the material, generate category, definition of categories and revision of the frame of analysis,
4. Segmentation	Division of the materials into units that fits into one subcategory
5. Trial coding	Execute a pilot coding before jumping to main coding.
6. Evaluation and modifying the coding frame	All the material is coded. The coding frame cannot be modified at this stage.
7. Main analysis	Division of units and classification into categories and check consistencies on the data.

8. Presenting and interpreting findings	The frame itself can be used as a main result. Concurrencies, patterns and relations between categories serve as explanations of the data.

Table 2. Qualitative content analysis steps for coding and analysing (Schreier, 2013, p.7)

According to Silverman et al. (2016) qualitative content analysis can contribute with the introduction of ideas of reform, accounts of common experiences and problem lived by groups of people, and suggestions on how to manage better services and social processes. This is done, thanks to the role of the researcher as a collaborative practitioner who sets a relationship with the participants of the study based on care and advice (Gioia et al., 2012). In this relation researcher-participant the idea of power will be extended to the participant, and not only concentrated in the researcher herself. In this new conception of power while doing research, the practitioner will assist in the extension of this power but at cost of reducing the resistance. "The opposite of power is not its absence, but the resistance it provokes; researchers, so the argument goes, should be laying the groundworks for citizen resistance rather than fostering the extension and effectiveness of expert power" (Silverman, 2016., p.24).

Qualitative researcher should address social issues efficiently by influencing practitioners' practice (Silverman, 2016). This is achieved thanks to the detailed descriptions of the circumstances and behaviour of potential the different stakeholder placed in the study. The materials obtained from this can be targeted to other aspects of the stakeholder engagement plan, as well as future activities undertaken by the company when working on future projects in the area. This is only possible to achieve by performing studies that comprises codes and consent, as well as confidentiality and trust. Particularly, consent refers to 'informed consent', which means that the participants have the right to know they are being studied. Also, that they have been informed on the character of the study and they can withdraw their participation at any moment. Confidentiality means that the researcher has the duty to protect all participant's identity and other personal information. However, sometimes the participants may express their desired to be identified. Finally, trust is the characteristic that links the researcher and the participants. For this, the researcher should "pave the way for other in the sense that potential research subjects get reluctant to be studied" (Silverman, 2016., p. 26).

4.3 Research process and data generation

This study was conducted by inductive analysis of the data and in a *linear-sequential* approach. The latter means that, first, all data was collected and then analysed. "This is common in qualitative

research, for instance when doing content, thematic, discursive, conversational, or phenomenological analysis after collecting all data" (Kennedy & Thornberg, 2016, p.48). In induction, the researcher takes several empirical samples in order to recognize a pattern from which he or she can elaborate a general statement. Under this logic, categories and conclusions are constructed depending on the data. In this way, the data can reveal new understandings of existing knowledge and conclusions (Thornberg & Charmaz, 2014; Reichertz, 2007).

Since this is not a positivist analysis, the study was conducted from the assumptions based on the existing literature on the stakeholder theory unfolded in previous chapters, the conversations kept with the representatives of Nord Stream 2 AG, reports from auditors such as Ramboll A/S, and Nord Stream 2 AG, as well as press releases related to the topic, and interviews kept with the representatives of the chosen stakeholders groups subject of this study. These was the sources of data use, which enabled me to move from specific to the general assumptions when working with the extracted data. Thus, examples were observed to understand the socio-political changes in the democracy and put it into a general statement.

To execute the analysis, all the words were processed into content-related categories. The reason for this was that "when classified into the same categories, words, phrases and the like share the same meaning" (Kyngäs & Elo, 2008; Kracauer, 1953). Therefore, a search was conducted in order to create a relation between the data and the context, which provided a perspective and representation of the facts, as well as a practical guide of action. Thus, to perform this inductive content analysis, the following process were used while analysing the data: preparation, organization and reporting. In the preparation stage, the unit of analysis were decided, which means choosing a word or theme of study. At the organizing stage, all the data was grouped into categories - this is also known as 'open coding'. Next, the data was illustrated by drawing an overall explanation of the topic through the categories and subcategories descript. To conclude, the data was reported by offering a conceptual system (Mayring, 2000). The construction of the conceptual system led to the analysis of micro-processes that could help to understand the different variables that take place in changes at meso- and macro-level, as well as, to simulate future actions plans when engaging stakeholder in future macro-projects.

4.4 Types of procedures

4.4.1 Face-to-face interviews

For my research, "in-depth interview accounts provided a meaningful opportunity to study and theorize about the social world of the subject under study" (Silverman, 2016, p. 51). Therefore, the narrative accounts produced in these interviews provided access to individual realities. Furthermore, in-depth

interviews revealed what is the nature of the phenomena subject of investigation, including the context and situations where they emerged, and the judgements located into people's cultural frames that make sense of their experiences and social world.

The interaction interviewer-interviewee in these narrative accounts enabled to exploring the social world beyond the interview (See guidelines in appendix 1). Moreover, interviews allowed the "access to the meaning people attribute to their experiences and social worlds, facilitating the creation of knowledge about the social world beyond the interaction *per se*" (Silverman, 2016, p. 51). In fact, it is only non-positivist interviews the only way to achieve this. Thus, the goal of these interviews was to comprehend others' understandings by exploring the points of view of the research subjects, while grating those with cultural states of reality. In other word, the aim was to make interviewees respond with the most familiarity rather than subjective insights about the topic of study. In this sense, "the researcher is not invisible, anonymous voice of authority, but as a real, historical individual with concrete, specific desires and interests' the research process can be scrutinized" (Silverman, 2016, p. 56). For that reason, it was needed to pay attention to the effect of social positions in the interpretation of social research. As a result, the interviewees were more prone to tell which of my interests and assumptions make sense and non-sense. In sum, I needed to present myself as comfortable way where the interviewee could tell diverse types of stories.

Traditionally, the interviews have been a neutral conduct for extracting and covering biased knowledge (Silverman, 2016). Nevertheless, in this study, the aim was to perform interviews that enable the meaning-making conversation, based on constructive interaction with the interviewee. Thus, it sought to break the traditional role of the interviewee as passive feature of research. Instead, the interview searched to bring up the hidden behind the participants' social world. Appendix 2 illustrates the guidelines that made possible to conduct these interactive interviews. While appendix 3 shows the prospective questions asked to Nord Stream 2 AG staff such the PR person and the legal consultant of the project in Finland. In addition, appendix 4 illustrates some of the questions asked to the rest of participants.

To develop a good interview, questions and certain observational strategies were prepared and tested before the real interview took place. For that, first, I needed to anticipate, as best as possible, how a particular question would work in practise. Second, a pilot-test of the interview was performed with people similar to the actual participants of the study (Maxwell, 2018). This helped to determine if the questions would work as planned. Moreover, the questions were organized in a structural way that departed from general topics, went through more specific ones, and ended with questions about personals experiences. In other words, the questions aimed to depart from impersonal to more personal.

4.4.2 Online Interviews

The technological developments of the internet have opened the door to conduct online interviews. Thanks to this, the problems with face-to-face interviews have been reduced. According to Silverman (2016, p.245) "the internet has altered the nature of the context in which research can take place and how knowledge is constructed." This change is boosted by the new spaces and dimensions offered in the research designs and methods. In social sciences, these online research methods have given the opportunity to contact individuals or groups from distant geographical locations. But most importantly, this opportunity can take place in real-time or non-real time conversations, as well as to being able to see the person or persons through their technological device or devices. Thus, these types of interviews support the collection of original data with the aim to be analysed and provide new evidence to the research question. Also, it opens a door to explore documents and information sources found online.

For this case, the online interviews were synchronous, which refers that the interaction and sharing experiences happened in the presence of the research and the participants online. Put it in other way, the nature of the interview was real-time one-on-one. As in face-to-face interviews, I encouraged spontaneous interactions with the participants. The mean to conduct these interviews was by using Skype for Business, either by telephone or video-conference. Skype for Business allowed the geographical flexibility and offered the possibility to record computer-to-computer, computer-to-telephone conversations, as well as skype-to-skype or skype-to-phone interviews. Moreover, Skype calls enabled to interview participants at a time that best fits their schedules - as in the case of Nord Stream 2 staff from Switzerland. Interviews lasted between 40 minutes and 1 hour.

When conducting online interviews, the sampling of the data was purposive. This means that I acknowledged that the participants had already access to email and online services and they were familiar using them in their professional life. The use of web-cameras or video-conferencing were allowed. However, if the participant decided to, these were disactivated leaving only the 'smoked mirror' of the of the Skype call. This ensured the participant's visual anonymity and the opportunity for pseudonymise if they wished. In addition, this reduced the researcher-participant effect, due to the physical and orthographical characteristics of the participant were absent, "making it easier to discuss more sensitive topics or state unpopular views" (Silverman, 2016, p. 250). The tapes from the interviews were transcribed and stored in the Finnish Social Science Data Archive (https://www.fsd.uta.fi/en/) after the study was completed.

4.4.3 Documents, reports and other materials

Documents, reports and other materials were studied *in situ* in relation to the context that shapes how participants write and read documents. Although these forms of text did not substitute other type of

data, therefore, they were not considered as truthful evidence of what they represented, due to, people do no treat documents in a neutral way (Flick, 2018; Silverman, 2016; Krippendorff, 2004). Table 2 illustrates the way how the texts placed in documents, reports and other type of materials were analysed. This analysis was based on questions regarding the text and the content of the materials.

Text	Content
What is recorded?	How are texts written?
What is omitted?	How are they read?
What is taken for granted?	Who writes them?
What does the writer seem to take for granted about the readers(s)?	Who reads them? For what purposes?
What did readers need to know in order to make sense of the text?	On what occasions? With what outcome?

Table 3. Study of *in situ* documents (Silverman, 2016, p. 158).

According to Silverman (2016, p. 173) "documents are traditionally regarded as passive and inert sources of information and evidence. For that, reason, their role in the research process is often associated with the deployment of discrete methods." However, in this case, documents were regarded as active sources of production of social life. The reason for this lies in the content of the documents. How the content had been put together also represents a 'construction' of social life, entitling documents to become actors of social life by their own (Krippenddorf, 2004). Keeping this in mind, the analysis of documents was focused on their content by using content analysis with the ES prism already unfolded in the previous passages of this chapter. In particular, the interpretation of the documents was based on the language used in the text rather than the pre-assumed codes, themes, or ideas. This analysis was a pre-step of an examination of how documents and materials are connected with the real world. To conclude, the analysis of documents involved the study of the ways in which people treat and manipulate documents -records, pamphlets, images, in specific contexts. In addition, this analysis observed how documents facilitate networks and identities. Put it in another way, it tried to show how humans use documents as objects that define their identities.

4.5 Approach to data analysis.

This research focused on content analysis which produced a "systematic and comprehensive summary or overview of the data set as a whole, sometimes incorporating a quantitative element" (Silverman, 2016, p. 85). This was executed by how often a thing was mentioned and the factors related to it. Particularly, the method focused on examining data for instances that repeat themselves along the content. Then, these instances were identified in a systematic way within the data and divided in groups under the guidelines of a coding system. First, the unit of analysis was decided based on groups

dynamics and participants' utterances (see in: Carey and Smith, 1994; Morgan, 1995). Once this was done, these units of analysis allowed the creation of the coding system, which was applied to the transcript. Once the data was coded, the instances were counted in order to make a summary of the data set as a whole (Krippendorff, 2004). Figure 6 illustrates the way this process was applied in this study. In this case, the material was divided in two batches, one for the data extracted from the interviews, and another one for the data extracted from the rest of the materials. Both batches followed the same process described in this section separately until the point that generic categories from the interview data and other material data were achieved. Once this was done, these generic categories were benchmarked, namely 'comparatively measured', in order to see which aspects of both data sets matched in the study. Finally, an interpretation of the data was conducted in accordance with the theory chosen to explain the social phenomena under investigation.

Methodological Analysis Strategy

Interviews → Data Analysis ← Reports, press releases and fact sheets

Data Analysis → Coding frame → Subcategorization → Generic categories → Generic categories benchmark → Interpretation
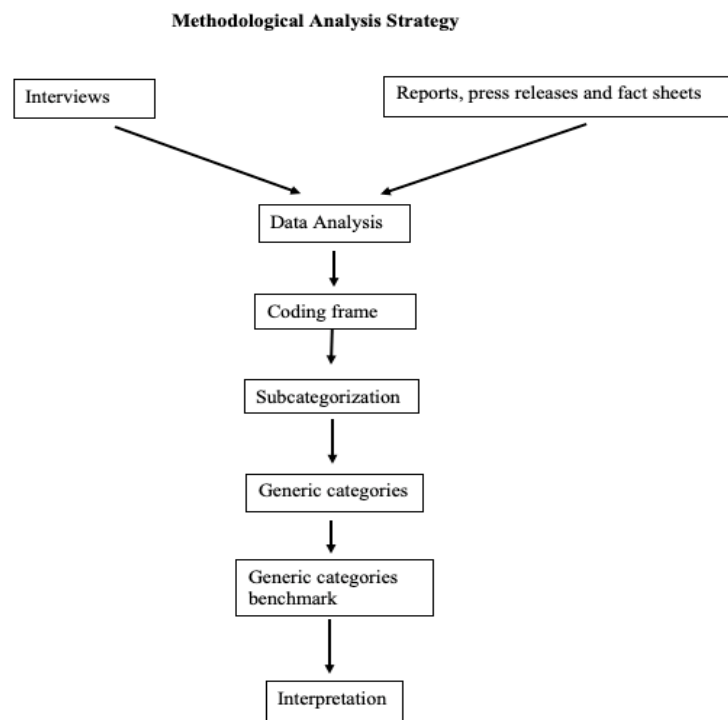
Figure 6. Methodological strategy for Nord Stream 2 content analysis.

4.6 Informed consent and safety

Online and face-to-face interviews were subject of previous consent given by the participants of this study. This informed consent took part in the research project from the time they joined it and before online interviews began. To obtain that, I identified myself and the purposes of this research to the

participants. I also explained the medium that they were going to use for the interviews, in this case by email, and how I pretended to protect the privacy and anonymity of participants' communications in the project as well as maintaining the data confidentiality. In addition, the interviewees were empowered with the right of withdrawing consent at any time they see convenient. To comply with all of these, an Informed Consent Agreement form was made in order to communicate this ethical premises to the participants. These documents were sent to the participants, who then signed them before the interviews were conducted.

To reduce the risk of confidentiality, all data will not be stored on institutional servers, but it was kept in my own laptop aimed for working on the research. Therefore, the data had limited access only reserved for me. Nevertheless, I used the institutional email address to communicate with the participants in order to set practical arrangements such as calendar invitations and providing more information about the research before the interviews. Furthermore, the treatment of online data followed as close as possible the ethical guidelines provide by the Association of Internet Research, AoIR, from 2012's report in particular. This stablishes a set of considerations "designed to support and inform those responsible for making decisions about the ethics of internet research" (AoIR, 2012, p. 3). Thus, these considerations are directed to researchers and other stakeholders such as review boards, students, or ethicists who work with online data. For more detailed information, see appendices 2 and 3.

5. Stakeholder analysis

5.1 Case Organization: Nord Stream 2 AG

This chapter prepares a stakeholder analysis of the Nord Stream Project 2 in Finland. To do so, I will list the stakeholders identified by the project company in the Finnish municipalities. Next, these stakeholders will be examined using Post's new view of stakeholder model. Then, to increase the accuracy of the stakeholder identification and classification, these stakeholders will be classified using Mitchel's model. Finally, an interpretative analysis of this process will be given at the end of the chapter.

In Post's model, the stakeholders are mapped in ellipses that represents the different dimensions that relates corporations to the stakeholders. Here, it is possible to see how affected stakeholders and interested parties are dispersed mainly in the industry based and socio-political arena dimensions of the map. On the other hand, Parties from Espoo convention are located in the industry infrastructure dimension. Investors, customers, contracting companies and NSP2 employees are placed in the resource base dimension. This mapping illustrates a first step to answer the research question: *what legitimizes an actor to execute transnational energy projects that cross different jurisdictional zones?* This shows the different areas that the project company should take into account in order to legitimize its activities in the Finnish EEZ. Therefore, this mapping is a representation of how corporations – in this case, the energy companies - are integrated in the realm of human life. That means that these types of companies do not live in isolation, therefore, their activities also have impacts on the social and political life. Consequently, their activities should be legitimized by other actors in the network.

Once the mapping was done, stakeholders were placed in the Mitchel's model to reach a more accurate classification and subcategorization of these. In this way it is possible to discern the type of stakeholders these parties are, as well as to define what kind of attribute/s they possess and their salience. This classification helps to answer *how the residents of Hanko and Kotka, Finnish government and Nord Stream 2 AG cooperated to provide with social license to operate for the project?* This classification enabled to distinguish the type of relationship the project company should have with each of the stakeholders in relation to the attributes of power, legitimacy and urgency. The helps to set the most appropriated course of action to meet the demands of these and synchronize common interests.

5.2 List of identified stakeholders in Finland

Nord Stream 2 AG recognizes stakeholders as:

> *Stakeholders are identified as individual, groups or organizations who:*

- *May be directly or indirectly, positively or negatively impacted by the Project*
- *May be interested in the Project, have environmental and social interests that may be imparted in the course of the Project, or may potentially influence the Project decision-making and implementation in certain ways.*
(Nord Stream 2 AG, 2018, p.20)

Overall, there are many different explanations of stakeholders. However, all those definitions agree with Freeman's (2002) first conceptualization of stakeholder: "Any group or individual who can affect or is affected, directly or indirectly, by the achievements of the organization's objectives […], where stakeholders are depicted in the form of a "hub and spoke" map with the firm at the centre." Therefore, talking about stakeholders, concerns with "who has an input in decision making as well as with who benefits or is harmed from the outcomes of such decisions" (Philips et al. 2003, p.487: in Crane, A., & Ruebottom, 2011).

5.2.1 List of identified stakeholders

In Finland, the project company identified local, regional, national and international stakeholders. These have been divided into three groups: affected stakeholder, interested parties and Parties that may be affected by transboundary impact according to the Espoo Convention (Parties from the Espoo Convention).

5.2.2 Affected stakeholders

By the company, this type of stakeholders comprises individuals, groups and organizations that are affected directly by the Project. These are vulnerable groups that "may be disproportionately impacted by the Project or eventually find themselves in a disadvantaged position" (Nord Stream 2 AG, 2018, p. 21). The relation with this type of stakeholders needs from extra inputs to guarantee that these groups counts with a balanced representation during consultations and decision-making process.

Affected stakeholders have been identified based on the experience from Nord Stream 1. These are: cable owners; Fishing companies and fishermen association; local authorities; local community (including vulnerable groups); Commercial enterprises; cultural organizations.

In particular, affected parties that were informed on the Project and provided statements to the EIA report.

- State authorities: Forestry Authority (Metsähallitus), Finnish Environmental Institute (SYKE)

- City / Municipality authorities: City of Kotka

- Companies: Elisa Oy

- Associations: Kalatalouden keskusliitto ("Central Union of Fisheries"), Suomen ammattikalastajaliitto ry, SAKL ("Union for Finnish Commercial Fishermen").

Table 1 lists all the groups and organizations classified as affected stakeholder by the company.

Socio-Economic / Environmental aspect	Affected Stakeholders
Community Health, Safety, Security	Local communities include summer cottage owners, residents of Etukylä, Koverhar and Lappoja, owners and users of the military area of Syndalen, residents of Ekö, Hermansö and Koö, residents of the City of Kotka, living along the rock transportation route. Local Authorities: - Authorities of the City of Kotka - Authorities of the City of Hanko Vulnerable groups: - Mussalo elementary school - Four kindergartens in Mussalo - A Mussalo hospice for disabled youth Medical facility: - Central Hospital of Kymenlaakso Ports: - Port of Hanko - Port of HaminaKotka Commercial enterprise: - Hovinsaari Power Plant - Danisco Oy - Kotka-Hamina Regional Development Company
Ecosystem services access	- SAKL (Fishermen association) - Kalatalouden keskusliitto ("Central Union of Fisheries"

	- The Itäsalama marina - Hanko Regatta' participants - Marinas in Santalahti, Hirsaari and on Kotkansaari - Kotka Maritime Festival
Biodiversity	Metsähallitus (Forestry authority) as the owner of the Natura 2000 sites
Cultural Heritage	Local communities of the City of Kotka
Marine Infrastructure and Military activities Munitions clearance	All shipping companies are required to be familiar with the contents of the Notice to Mariners for the Wateresy they pass throught Finnish transport agency, Defense Forces, Border Guard 7 existing power and communication cable owners and 1 planned cable owner Pipeline operators (Nord Stream) and Baltic connector
Environmental monitoring stations and protected areas.	SYKE, HELCOM

Table 4. Affected stakeholders in Finland (Nord Stream 2 AG, 2018, P. 22-23)

5.2.3 Interested parties

Individuals, groups and organizations who suffer no direct impact from the project, but they consider that it could possibly alter their interest. Also, these type of stakeholders consider that somehow they could influence the Project. These include:

- Government stakeholders at regional and federal level in charge of permitting, environmental management and protection (including water resources, forestry, hydrometeorology, and subsoil management). For customers rights and wellbeing protection, technical supervision, emergency recovery, social protection, employment, and cultural heritage (Nord Stream 2 AG, 2018, p. 25).

Table 5 offers a list will all groups and organizations that belong to this category of stakeholders.

Socio-economic / environmental aspect	Interested parties
Biodiversity and Environment	- Permitting authorities - Convention officials: HELCOM - NGOs: FANC, Greenpeace Finland, WWF, Nature and the Environment

	• Cultural organizations: Finnish Environment Institute (SYKE), Finnish Meteorological Institute • Coastal municipalities • Finnish Safety and chemical agency • Ministry of agriculture and Forestry • Metsähallitus
Cultural heritage	• Finnish National Board of Antiquities • HELCOM • Geological survey Finland
Munition clearance (underwater noise)	• Authority: ELY Centre Uusimaa • Natural Resources Institue Finland (Luke) • Ministry of Defence and Defence Forces
Ecosystem services	• Fisheries authority • Transport Agencies and Ministry of Transport and Communication
Transboundary impacts	• Espoo Convention officials • Authorities: Estonian Ministry of Foreign Affairs, Ministry of Economic Affairs and Communication, Russian Ministry of Natural Resources • Scientific and research organizations and laboratories: Tallin University of Technology, Marine System Institute • NGOs: Estimaa Looduse Fund (Estonian Fund for Nature). (Eesti Roheline Liikumine Estonian Green Movement), Sillamae Centre of Environment, Pro mare, ClientEarth Prawnicy dla Ziemi
Other interested parties	Port of Helsinki

Table 5. Interested Stakeholders. (Nord Stream 2 AG, 2018, p. 26)

5.2.4 Parties that may be affected by transboundary impact according to the Espoo Convention (Parties from the Espoo Convention)

The project company has defined these in the following way:

  - 'Party of origin' is the contracting party or parties to the Convention that proposes the activity.

  - 'Affected party' is the contracting party or parties of this Convention that may be affected by the proposed activity. The NSP2 includes: Russia, Estoinia, Latvia, Lithuania, Poland Sweden, Denmark and Germany.

5.3 Mapping and classification

5.3.1 Mapping based on Post's model

The mapping of the stakeholders will be based on Post's model for mapping the stakeholders of an organization. As explained in the theory (Chapter 3), this model remarks the compelling role of stakeholder relationships for achieving of organizational goals and creating wealth (Post et al., 2002). Therefore, the corporation is presented at the centre of a network of stakeholder who are interrelated. This location is guided by the issue that surrounds the multi-stakeholder network (Frooman, 1999). Following Post's theoretical ideas, stakeholders are considered as constituencies that take part in the creation of wealth voluntarily or involuntarily. Therefore, these can benefit or bear the risk of any proposed economic activity.

Post's stakeholder view poses three dimensions in the management of stakeholders. The Figure 7 shows the positioning of stakeholders in association to the measurement of strategic setting: resource base, industry-market and social-political arena. These outline the framework where corporations, government and social actors interact to enable the legitimation process. Furthermore, this map is a representation on the notions of collective enterprise unfolded in the ES. Shortly, it defines the social context where the corporate social actions take place. Thus, this map reflects to what extend the project company needs to expand its activities in order to legitimize the energy project (research question 1). In addition, this mapping frames the mobilizing agents that enable the stakeholder cooperation (research question 2).

Figure 7 illustrates the positioning of the previously described categories of stakeholders in Post's model of stakeholder mapping. In the figure, it is possible to observe how *affected stakeholders* and *interested parties* are mainly located on the socio-political arena dimension. Particularly, in the classes of local communities and citizens, and private organizations. Nevertheless, it is important to note that they also have presence in the industry infrastructure dimension, in particular, in the category

of regulatory authorities. In addition, it is possible to see the Finnish state is also located on the socio-political arena. In the Industry infrastructure dimension, the *Parties from the Espoo Convention* category finds its place under the group of Joint Venture Partners and Alliances. The reason for this lies in the cooperation between these parties and the project company when developing and monitoring the stakeholder and environmental management procedures in Finland. Furthermore, Nord Stream 2 AG contracting company Wasco also finds its place in the map. Other stakeholders such as Nord Stream 2 AG staff, the Project investors and the EU customers and customers are located at the Resource base dimension. Finally, the firm is placed in the core of the map indicated in Post's new stakeholder view. Figure 8 offers the same illustration of stakeholder mapping but with concrete parties in the different stakeholder groups.
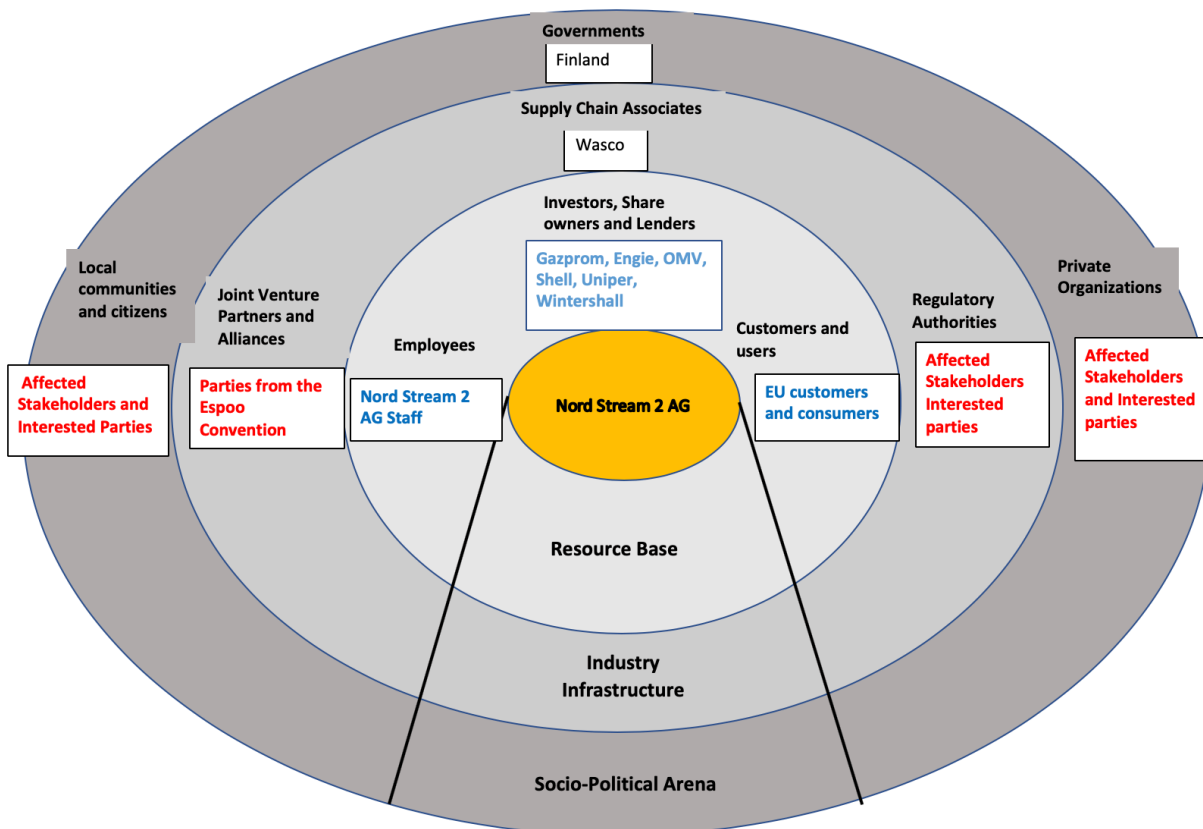
Figure 7. Nord Stream 2's stakeholder mapping based on Post's model.
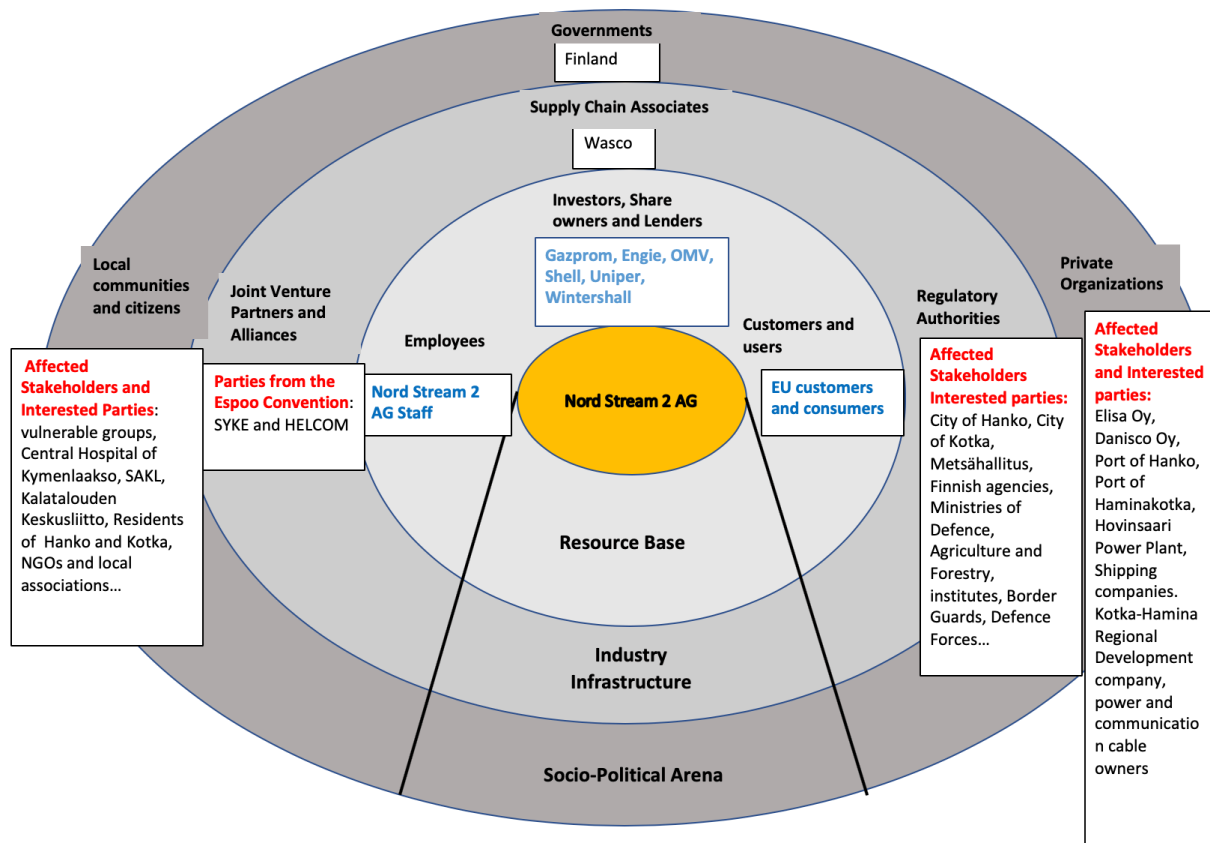
Figure 8. Nord Stream 2 stakeholder mapping with concrete parties and institutions

5.3.2 Classification using Mitchel's model

Mitchel's model has been selected to classify the stakeholders mapped in Post's model unfolded in the previous section. To recap, Mitchel's model offers a broad view in which tangible – resources, information - and intangible dimensions -such as power legitimacy or salience- are considered. Therefore, this theory helps to identify and define the interests and interactions of legitimate and nonlegitimate stakeholders more accurately. Three attributes are the key features of this model: power, legitimacy and urgency. and the combination of these produce several kinds of stakeholders that follow different patterns of behaviour (Mitchell et al., 1997). Power responds to the capability of one actor to carry its will without resistance within a social relationship (Weber, 1947: cited in Mitchell et al., 1997). On the other hand, legitimacy is the justification of "Who and What Really Counts". Finally, urgency is the grade of urgency presented in the stakeholder claim. Figure 3 shows how they parties involved in the NSP2 in Hanko and Kotka would be distribute in Mitchel's model.
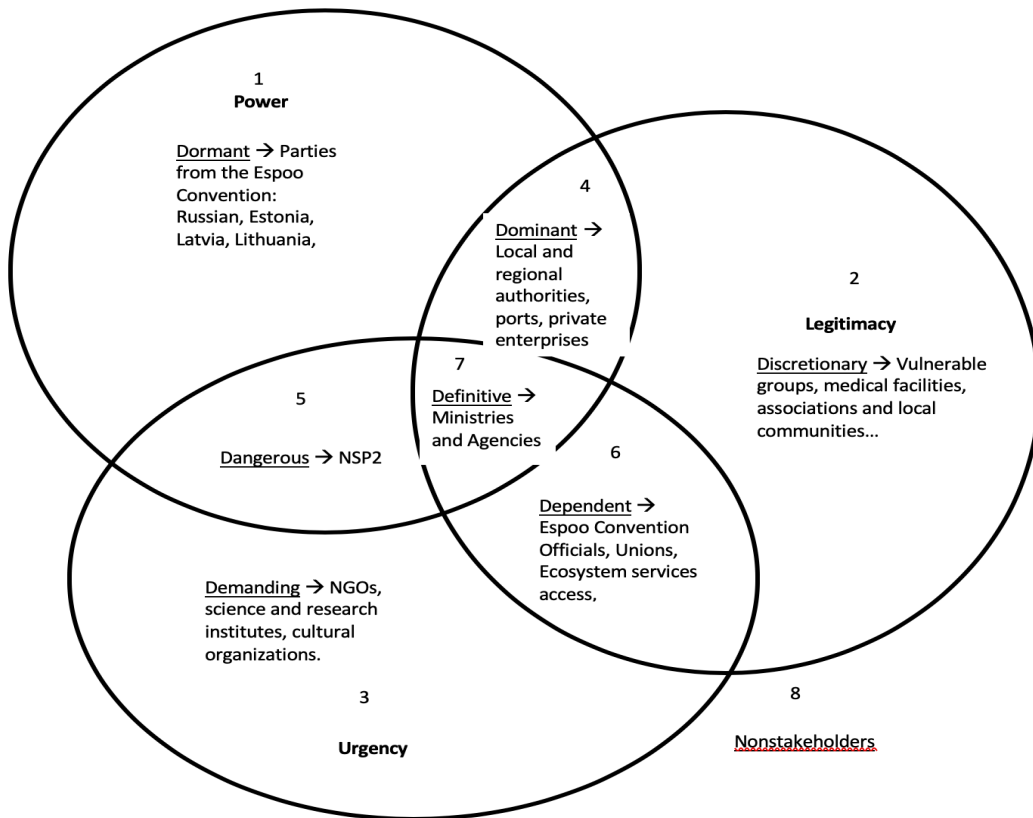
Figure 9. Classification of NSP2 stakeholders in Mitchel's model

Depending on the number of attributes the stakeholders possess, they will be classified as: latent stakeholders (one of the attribute and low salience) or expectant stakeholders (two attributes and moderate salience). This characteristic gives them the right to expect something. Definitive stakeholders count with the three attributes combined, making them highly salient. Each of these categories counts with subcategories in which stakeholders are subclassified in relation to their attributes. Table 3 illustrates how the parties related to the NSP2 in Hanko and Kotka fit into this classification.

Type of stakeholder	Attributes	Example
Latent stakeholders	Dormant: power	Parties from the Espoo Convention: Russian, Estonia, Latvia, Lithuania, Poland, Sweden, Denmark
	Discretionary: Legitimacy	Vulnerable groups, medical facilities, associations and local communities, EU customers and consumers

	Demanding: Urgency	NGOs, science and research institutes, cultural organizations
Expectant stakeholders	Dominant: power and legitimacy	Local and regional authorities, ports, private enterprises
	Dependent: legitimacy and urgency	Espoo Convention Officials, Unions, Ecosystem services access
	Dangerous: Power and Urgency	Nord Stream 2 AG
Definitive	Power, legitimacy and urgency	Ministries and agencies

Table 6. NSP2 stakeholder classification based on Mitchel's model

5.3.3 Analysis: mapping and classification of the stakeholders

In the previous sections the stakeholders related to the NSP2 in the municipalities of Kotka and Hanko have been mapped, classified and identified. For that NSP2's stakeholder engagement plan has been used to identify these. For the mapping, Post's model has been utilized to map the stakeholders in different dimensions. Finally, these stakeholder groups have been classified using Mitchel's model to look into the attributes of power, legitimacy and urgency among them. These models recognize the agents involved in the legitimation process of the NSP2, illustrating 1) to what extend the project company need to expand its relations in the network of stakeholders; and 2) and the type of cooperate the project company might have with each stakeholder depending on its nature.

Thinking on Post's map, it is interesting to see how affected stakeholders and interested parties can be found spread in the industry infrastructure and social-political arena dimensions. In the former, it is worth-noting the presence of the contractors such Wasco, which in this case, can be seen as the supply chain of the project company. In addition, those from the Parties from the Espoo convention, are mapped in this dimension due to their regulatory power in the overall industry regulation of the project. In short, this is a reflection of the introduction of new units of analysis on what legitimizes these types of energy projects (research question 1: *what legitimizes an actor…?).* These units represent an innovation, due to, in the past, the legitimization process only coped with resource base and industry infrastructure dimensions.

Back to the social-political arena, it is also worth-mentioning the presence of the Finnish state at the top this dimension. This can represent its role as a watchdog of what is happening with the rest of the stakeholders in the rest of the map. According to Strange (1991, p. 245) the state – Finnish state in this case - has the authority to "act by virtue of its role as gatekeeper to the territory." Thus, its legitimate power can grant or deny the access to its internal markets, natural resources, to the labour and knowledge. However, despite legitimated, these do not guarantee the success of the venture. Shortly, the gate can be open, but the firm is the one who decides to access or not. But most important, it is up to the community to give legitimacy to the state and license to operate to the firm. Finally, in the resource base dimension, NSP2's employees, investors and customers conform the parties taking part in this dimension. Overall, the mapping has been useful to categorize the type of arena where to locate the stakeholders. However, this requires a more profound analysis to discover the nature of each party in the project, and to characterize the relations of the stakeholders. For that, Mitchel's model gives a deeper insight of the aspects of the stakeholders to make a more accurate and sophisticate identification.

Overall, it is possible to observe that the groups categorized in affected stakeholders and interested parties count with single or a combination of stakeholder attributes. On the other hand, it is interesting to see how the parties defined as "Espoo convention officials" count with the attributes of urgency and legitimacy, which make them to be classified as dependent stakeholders in Mitchel's model. In this case, commissions such as SYKE and HELCOM use these attributes to become the partners that link the firm with the rest of stakeholders. These organisations provided comments when the EIA process was on public display. Also, it is worth noting the effectiveness of combining power and legitimacy under parties such ministries and local and regional authorities. With these attributes, these parties can ensure that low salient stakeholder are held accountable in these types of projects. In sum, Mitchel's model comprises a first approximation to the answer on *how the residents of Hanko and Kotka, Finnish government and Nord Stream 2 AG cooperated to provide with social license to operate for the project?* (research question 2).

NSP2 has been classified as a dangerous stakeholder because it has power and urgency. However, it is not dangerous in terms of violence or other forms of coercive power, so that, NSP2 should be thought more in influential terms. In this case, it is appropriate to think about power as the ability to produce order and wealth. In other words, the capability by which order and wealth can be produced, or even destroyed, making an impact in the productive system. As a result, it becomes evident the central -but not peripherical- role of big businesses in politics and society. After all, the creation of wealth affects who-gets-how-much of justice, freedom and economic security. On the other hand, urgency can relate to the need to proceed with the project due to big part of its future

revenue depends on the success of construction and operability of the pipeline, and the stability of the context where the firm operates. Taking this into account, it can be speculated that the project company is extending its stakeholder engagement plan even to the latent stakeholders -which only have legitimacy attribute- in order to ensure the license to operate by attracting those with the legitimacy attribute. In that way, the project can operate in Finnish Exclusive Economic Zone without difficulties. However, the question remains why the company decided to pay important attention for stakeholder that only counts with one attribute? As approximate interpretation, this can be explained by the companies' need to have a broad view when engaging stakeholders in certain political settings. This can also be an illustration on how corporations perform their roles as political actors in such settings, which implies to deploy certain means of diplomacy. In this case, this diplomatic apparatus it is based on a triangular approach (Hirst & Thompson, 1996) in which the firm must: engage with home and international governments to compete for world market shares; set strategic or tactical corporate alliances with other firms to overcome protectionist barriers; and keep communities accountable in order to gain social license to operate.

Following the line of the attribute of power, it is worth saying few words about the parties from the Espoo convention – dormant stakeholders: Russia, Estonia, Latvia, Lithuania, Poland, Sweden, Denmark, and Germany. These only have the attribute of power as observing actors of the project. This power can be seen as coercive or resource based because they are states as such, however, they have not legitimacy since they cannot interfere in other sovereign state's internal issues, in this case Finland's decision on stakeholder treatment and engagement. Furthermore, this shows that power alone does not do anything by itself. For instance, the cases of dormant stakeholders like the countries represented in figure 9, which cannot interfere in the stakeholder interactions and requirements in other states. Thus, this can be thought as the changing nature of relative power, the organisation of capital and labour. As a result, it can be discerned the switch in legitimate authority, which is moving from states to "other politically unaccountable actors" (Hirst & Thompson, 1996).

6. Qualitative Content Analysis of interviews and documents

6.1 Main analysis[4]

Units	Subcategories	Main category
Pipeline, environmental issues, environment, risks, CO2, answers, coal, oil, environmental impact, challenges, pipes, environmental issues, risks, chemicals, impact, climate, environment, pipes, reduce, low-carbon, LNG, munition clearance, seabed, maritime fauna, bridge, renewable energy, emissions, rock placement, gas, EIA, Espoo Convention.	Environmentalism	
Consumers, ensure, supply, gas market, solutions, stable, consistent, competitors, authority, answers, storages, infrastructure, nuclear power plant, logistics, shipment, energy, commissioning, solutions, stable, consistent, cooperation, professional subcontractors, services, competitiveness long-term, imports, traffic, efficient, improvement, regional, bypass, Caspian, Crimean, Cold War, energy policy, Europe, Ukraine, Political solidarity, dependency, reliable.	Security	Stakeholder interactions and cooperation
City of Kotka, City of Hanko, Finnish government, position, Mussalo, Haminakotka, ports, Lubnim, Koverhar, stakeholders, engagement, regulatory, regulator, positive, dialogue, communication, openness, transparency, ethical, fair, consultation, legal, market, law, financial support, Finnish government, legislation, responsibility requirement, procedure, trust, approval,	Power and ethics	

---

commercial activity, energy companies, Engie, Fortum, EEZ, monitoring, shareholders, Uniper, Wasco, Wintershall, Gazprom, rules, Kotka, Hanko, ethical, fair. Angela Merkel, Dmitry Medvedev, Dmitry Marischenko, Donald Trump, Donald Tusk, foreign policy, ministries, EU commission, EU parliament, nationalist, ethical, NATO, power, Richard Grene, Russia, USA, Russia, Germany, geopolitics, sanctions, transparency.		
Political issue, broad spectrum, , Moscow, EU countries, other countries, the Project, Nord Stream 1, Nord Stream 2, Turk Stream, political atmosphere, attitudes, regions, Baltic Sea countries, challenges, Paris Agreement, dialogue, dialogue, agreement, declining, position, neighbouring countries, coordination, political, political issue, broad spectrum, Nord Stream 1, Nord Stream 2, political atmosphere, attitudes, difference, diplomatic, EU countries, Greece, high level, Sweden, Switzerland, emotion, Asia, Norway, EU, Finland, negative, Media, Poland, opinions, Denmark, speculation, statements, controversial, statements, Netherlands, critics.	International society	
Experiences, local level, people, citizens, opportunities, employment, unemployment, critical, information, positive side, evidence, understanding, public, people know, awareness, direct effect, scientific, experts, implementation, workers, necessary, relationship, consumers, consumption, expensive, increases, revenue, relationship, stakeholders, engagement, consultation, explaining, development,	Socio-political impact	

perspective, economic boost, Mayor, Gulf of Finland, support, opportunities, Axel Vog, regions, Kim Cornelius, experience, similarity, information, critical, positive side, understanding, public hearing, personal gain, communication, training, openness, cultural, legitimate, awareness, direct effect, accounted, local communities, NGOs, positive, social impact, background, I fully agree.		

6.2 Presenting and interpreting findings

The previous table illustrated the features that made possible the stakeholder cooperation and interaction that enabled the execution of the Nord Stream 2 in Finland. For this example, 8 interviews, 3 reports and 4 media articles were analysed using the method of qualitative content analysis. By this method, different steps were followed that led to the creation of a coding frame. The units of this coding frame were grouped sub-categories that were interrelated with a main category. The themes of subcategories were named *environmentalism*, *security*, *power and ethics*, *international society and socio-political impa*ct, while the main category was defined as *stakeholder interactions and cooperation*.

The subcategories will be explained based on what research question they could possibly answer. For instance, for the research question on *what legitimizes an actor to execute transnational energy projects that cross different jurisdictional zones?* The explanation of the subcategories of *security*, *power and ethics* and *environment* shape a possible answer for this question. While the subcategories on *international society* and *socio-political impact* attempt to answer the question on *how residents of Hanko and Kotka Finnish government and Nord Stream 2 AG cooperated to provide with social license to operate for the project?* This organisation serves as a guideline for the reader. Nevertheless, she / he can also relate some of the subcategories from one research question to the other, so that, she / he can reach her / his own conclusions and interpretations. In this analysis, the data extracted from interviews, media articles and reports will appear simultaneously, due to, they seem to be interrelated. In some cases, the data from one source, e.g. a media article, helps to understand the information given by the others, e.g. an statemen

6.2.1 Security

Security was an important topic present in the data. Quite often, the participants and the documentation eluded to concepts, ideas and notions about the security of the project in terms of supply and market. For instance, it can be observed that units such *security of supply, gas markets, solutions, authority, competitors, imports…* are refereed constantly along the data. The units of *competitors* and *imports* were added to the sub-category of security because the rationale of the EU's gas market is oriented to have several companies in the market. This comprises what it is called 'a competitive market', which ensures that there are enough *imports* that contribute to the *security* of supply. To sum up, all the patterns in this subcategory can be related to the context where the pipeline will operate in the near future: the liberalised EU gas market explained in the introduction and mentioned by interviewees 3, 4, 5; press release 1 and 2; reports 1 and 2). Concretely, interviewee 3 described it in this way:

> So, that it [referring to the Nord Stream 2 pipeline] will be offering one additional transport route for natural gas to Europe, which will face decline in natural gas production and an import gap. That means that it will need to import more gas in the future with different alternatives that we will have to compete in the future, but it will add security of supply for the European Union. That's the big opportunity (interviewee 3).

Or, by one of the reports analysed in the data:

> The justification of this project is based on the EU's critical access to natural gas in the future. This challenge presents a negative scenario to cope with the EU global rising demand and own production of natural gas. In more concrete terms, EU's domestic natural gas production is in decline, especially in Norway, the Netherlands and the U.K., while gas exports from Northern Africa will be considerably limited by the local consumption. In addition to this challenge, the new gas pipeline from the Caspian region will only deliver a small amount to the EU (Ramboll, 2017).

In this case, the NSP2 is seen to guarantee the supply of natural gas to the market. Nevertheless, some actors in the international sphere did not share the same view, specially, when the first pipeline, the NSP1, was constructed. Interviewees 1 and 7 expressed the security concerns in this way:

> […] Of course, there are people in Finland who concern about the political side, and even the security side of the project. That whether could it be. That it is a very important project from Russia. And they would ask if they would make conflict in the Baltic Sea, or if it would affect security situation in Finland in the coast or not. These are severe questions and I don't have any direct answers, and I hope there are not going to be any kind of situation that a would have to give those answers (interviewee 1).

> The project was seeming as a political thing, energy safety issues, even security. There was a military point of view for certain countries and that made the environmental permit quite difficult. But in the second, it was quite easy, and there was the thing that we had the first one before. The start of the pipeline is now in different place but in anyways our economic territory, sea territory, goes to the same place and following the old one. So, in Finland it was quite easy. Of course, it started arguing between members of the European union, but Finland had to bring it to the European parliament. I think, it was easy in Finland, easy to understand, all about no threats or dangers or anything... But some parties like Greece, they made pitches about if it was really safe, but it was really common those talks (interviewee 7).

The NSP2 seems to illustrate the progress in the EU- Russia energy dialogue, which according to Ferman (2009, p.147) is "structured around four key issues: security of supply, promotion of investment, development of infrastructure, and environmental protection and energy efficiency." These features represent a change in the security paradigm in which the question of security has evolved from being mainly military and defence policy to energy policy and security. Interviewees 3 and 5 commented on this in the following way:

> And there's a lot of supply options in the market, but we have the competitive advantage that the natural gas from the Russian gas fields are very cost effective and competitive in contrast to the LNG tankers. So, that's the big picture opportunity (interviewee 3).

> […] the development of different pipelines and LNG terminals to enable gas imports has ensured that the EU is not overly reliant on any single piece of infrastructure. There is considerably more import capacity overall than gas demand. This ensures the EU can import gas even if there are problems with a particular piece of infrastructure. It also enables gas from different sources to compete, thus ensuring EU consumers benefit from lower prices. In addition, it ensures that there is enough import capacity to cope with sudden spikes in demand. For example, when there is a very cold winter weather, Nord Stream 2 fits in with this overall picture. It increases EU import capacity to make up for declining EU production (interviewee 5).

Nevertheless, the uncertainties[5] in the energy business, especially fuelled by the oil crises in the last decades, has broadened the perceptions of what constitutes insecurity and the states' responses towards what constitutes risks in the security structure. These assumptions were mainly relevant in one of the media articles analysed in this study.

> The project has sparked serious geopolitical concerns and the threat of sanctions. Critics in Brussels and the US have warned it risks deepening Europe's reliance on gas imports from Russia, which already provides about 40% of the continent's consumption (The Guardian, 25TH February 2019).
> "Do we become dependent on Russia due to this second pipeline? I say 'no', if we diversify at the same time," she said [referring to Angela Merkel] this month (The Guardian, February 25th, 2019).

6.2.2 Power and ethics

In the subcategory of *power and ethics* the data showed consistencies in units such as *stakeholders*, *engagement, transparency, openness, consultation, legal…* These notions can be interpreted as the necessary premises that enable a positive scheme for the development of the project. In addition, these can be seen as a reflection of how a corporation operated following the principles of stakeholder engagement. In practical terms, this can be seen in the constant disclosing and reporting performed by

---

[5] One of those uncertainties derived directly from the production structure. The opportunity for OPEC to exploit the rapidly increasing market demand for oil was directly due to the exceptionally fast economic growth of the 1960s and the consequent outrunning of oil demand over oil surplus at 1972 prices (Strange, 1991 p. 226).

the company (all the interviewees often referred to this aspect during the interviews). Thus, these actions, plus the fulfilment of the required bureaucratic procedures, provided the Project with the necessary legitimacy, and consequently, legal validity. Interviewee 3 reflected on this issue stating that:

> Well, it's, first at all, very important that all stakeholders are engaged with, because it's a quite project that has many aspects such as permitting and construction, then we have logistics, and all those fields require a lot of interaction and information exchange between different parties. And, this is also what makes the work very interesting and fascinating… and exiting as a Nord Stream 2 employees. So, it's very interesting (interviewee 3).

The inferences with more positive tone such as *EU*, *stakeholders*, *engagement*, *legal*, *openness*… can be related to the EU's economic power which lies in a grey zone between soft and hard power (Nye, 2008). According to the Anderson, Goldthauand & Sitter **(**2018, p. 316) the "EU's regulatory power is soft power because it is based on attraction, but has a hard edge, since foreign firms can only work in the EU's Single Market if they comply with the EU's rules and regulations." This can be thought as the consideration of energy as a public issue that counts with private features. Interviewee 5 referred to this in the following way:

> Firstly, the liberalised gas market means that wholesale gas suppliers, including those which import gas to Europe from outside the EU, have to compete with each other. The EU has reinforced this by ensuring that gas can flow freely within the EU by means of rules that ensure that companies cannot prevent their competitors from using pipeline capacity to access customers, and by ensuring there is plenty of physical pipeline capacity connecting different regions and countries. In addition, competition rules ensure that companies have to compete fairly, and regulators have access to gas trades and sales contracts information to ensure that this is the case (interviewee 5).

Furthermore, it is worth mentioning the presence of units such as *Donald Trump*, *Donald Tusk*, *Angela Merkel*, *Russia*, *USA*, or the *EU*. Despite of the validity of the Project, Nord Stream 2 arose interest and debate between these kinds of power actors in a positive (for instance, *EU-Russia* coordination in energy policy) and in not that supportive way (for example, *USA* misgivings on Nord Stream 2). These units illustrate how this energy issue becomes a matter of high politics as well. Therefore, it is possible to say that some of the characteristics of energy as a public good are also strategic. In sum, this grey area between the regulatory and economic power includes the application of both soft and hard power measures to avoid possible threats brought by foreign actors. As a result, this grey area is located between liberalism and mercantilism. One of the media articles reflected this issue in the following headline:

The United States continues to press German companies to prevent Nord Stream 2 - German Foreign Minister Maas: "Decisions on European Energy Policy in Europe, not in the US" (Helsingin Sanomat, January 13th, 2019)[6].

The idea to spread EU's legislation on energy markets beyond the EU's borders seeks "to set a stable legal regime that provides the proper conditions for market players" (Ferman, 2009, p.146). In this sense, it is possible to see how energy is an essential condition to exercise power IPE where "neither security nor wealth can be achieved without a secure supply of energy" (Strange, 1991, p. 229). Interviewees 1, and 8 made special comments in relation to the notion of power in energy issues, while interviewee 3 offered some insights about the role of the regulation in the Project:

Exactly! And we just read that this issue was discussed in the Munich security council in Germany on a very high level. So, it attracts interest from a very high political level regarding the United States, Europe, and of course, Russia (interviewee 1).

You can look at the question from the local political perspective, as some people tend to do. When there are some people with some sort of superpower politics, for instance, the US, with Mr. Trump arguing against the whole Nord Stream 2 pipeline (interviewee 8).

That's actually the most important thing that you mention. Our job in this project is to ensure that the project, first at all, receives the permits in time, and then that the construction can proceed on plan schedule. Therefore, it has been our job to ensure that this information exchange and engagement, sort of helps to achieve those goals. And that transparency, openness and proactiveness has been the key for a successful implementation, or achievements of these goals (interviewee 3).

The global energy system has changed due to the shift in the four primary structures explained in this study, particularly in the production structure. Concretely, the changes in production, the growth in the use of supply chains and the new geographical locations of the global production indicate that the structures of global production are more divided and widespread. Interviewees 4, 5 and 7 provided some examples of these changes:

For us, for Wasco [Finland], we are the pipe coater. For us, the political environment has not shown at all. So, we have always had our scope: how many pipes we need to produce for the project; we have been very hands on it, making sure that we get this product ready on time. So, anything that is happening out of here, or behind the scene are not visible for us (interviewee 6).

I would say it was fantastic, or it is fantastic. They are fantastic people. International, polite, and all respect. But that's the normal thing when we are taking about shipping and international business, people know how to behave and to act... They are usually very open about things. So, this is business as usual. But,

---

[6] Kauhanen, Anna-Liina (January 13th 2019) *Yhdysvallat jatkaa saksalaisyhtiöiden painostamista Nord Stream 2 - hankkeen estämiseksi – Saksan ulkoministeri Maas: "Päätökset Euroopan energiapolitiikasta tehdään Euroopassa, ei Yhdysvalloissa."* Helsingin Sanomat. Retrieved from: https://www.hs.fi/ulkomaat/art-2000005964340.html

of course, it's been really nice when we have had the company representative here in Finland. Taking care of information from Nord Stream 2. Let's say in Finland (interviewee 4 about the shipping of the pipes).

Exactly. Even though this is temporary, but still people think is good, and even better now because we had the first pipeline, and now we have the second one. People thought well… it will never happen again, but it did. It gives a kind of fate to the future. I haven't heard any bad thing about Nord Stream 2, or the pipeline or anything like that [in Kotka]. It has an environmental impact, of course. But we have made our own bubble here, and that's about it in cooperation with Nord Stream 2 (interviewee 7).

6.2.3 Environmentalism

The units located under the subcategory of *environmentalism* reflect especial concerns and awareness of the environmental challenges present in the context where the Project operates (This can also be seen in the quotes related to other units). This is reflected by the consistencies in units such as *environmental issues and impacts, CO2, coal, oil, risks, pipeline, chemicals…* These concepts have been repeated multiple times during all the interviews, news and other documents. These can be interpreted as a recognition of the risks and challenges that surround the project. For that reason, the project company has put special efforts in making sure that the project makes the least impact as possible on the environment, to follow the environmental instructions given by the authorities, as well as to communicate this to the other stakeholders. These were the most relevant comments on the environmental issues:

I made a kind of extract about the report (referring to the EIA report). I have read it; I know what's in there and what we have done. Because we worked in the environmental permit of the port, the first pipe when we had the new key for the traffic of the vessels sent to the assembly platform. We did our own short EIA, and simulation of the impact of the vessel traffic and it was already done. So, we just double it, so we didn't have to do anything new (interviewee 7).

We don't use any chemicals when coating the pipes. That means that our coating materials have no accelerators, or hardeners. So, we try to be environmental aware in this plant. We recycle our water. We revise the pipes […] So, of course, our goal is to be compliant with those specifications, meet the documentation set for the project (interviewee 6).

Yes, of course it is important that the people living on the shores of the Baltic sea know what's going on in there, up on the sea. And, the environmental matter is very important for Finland, and the people who live here in the coastline know that the pipeline does not harm our environment at all. That has also been, as far as I understand, the position of the Finnish government regarding the Nord Stream project as an environmental issue, and not that much as a political issue as many other countries around the Baltic Sea do (interviewee 1).

From a broader perspective, energy has made an impact in people's awareness of the environment. In particular, CO2 emissions and the ecosystem preservation where one of the main concerns in the environmental issue. Some of the interviewees and media's reflections referred to this:

Natural gas is a special contribution for that [referring to the reduction of CO2 emissions], and specially, when the EU climate targets that try to reduce the CO2 implies a transition from the use of coal. Coal is producing a lot of CO2 emissions, so gas can reduce that by 50 percent because it produces

much less emissions. So, gas is a very important bridge for renewable energies and meeting those climate goals (interviewee 3)[7].

Of course, there are some challenges. Though we had the first pipelines we were sort of ready, we had ideas what would happen. We needed to do some research and make sure that everything is Ok. If we talk about challenges it the Project itself, it's been the environmental permits. People were very anxious to see what happens because this is an important add for our area here in both ways: giving straight money because of the traffic because of giving jobs to people. that's basically what comes into my mind (interviewee 7).

If there's an impact, it is far away in the sea. And we have totally relaying in the Finnish authorities in the sense when they get the environmental permits, we have been just happily with the fact that the environmental authorities have done their job, and the project can carry on (interviewee 8).

"We though then that we needed gas to get rid of coal. It was a bad pill for climate groups, but we agreed," said Detloff. "Now we have the Paris Agreement and from our perspective Nord Stream is a contradiction" […] But Mayor Vogt is a diver and he says he's been under the sea to take a look at the pipeline. He argues that new sandbanks created by the first Nord stream pipeline have even led to a rebound in the seal population. (Politico, June 9th, 2018)[8].

6.2.4 International Society

The *International society* sphere contains units such as *political issue, broad spectrum, EU countries, controversial, opinions, Nord Stream 1, Nord Stream 2, political atmosphere, attitudes, emotion regions, Baltic Sea...* Some of these units may appear to be less positive than the other group of units. This can be because they mostly refer to a wider political context that involves different states and actors who understand the Project in a different way. This adds complexity to the political context where the project company operates, especially, when it tries to synchronize the local scheme - in this case Hanko and Kotka - with the international context. This complexity is a reflection of the contrasted perception of the project at the local and international level, something that can be perceived in the media. For instance, the scheme at the local level showed signals of a positive perception of the project, due to, the project itself was presented to the stakeholders as a commercial proposal rather than a political matter. Here are some examples:

Yeah. This is a very local thing here in Kotka. Some people from other countries may have a different view, but in Kotka we officially see a very positive project. This is my official reply (interviewee 1).

---

[7] And, in comparison to the gas pipeline, the LNG value chain is more complex. The liquefaction of natural gas implies the use of more energy, and therefore, the emission of more CO2. On the contrary, in the pipeline projects the CO2 is only emitted when the gas is consumed in the market, therefore, it is not considered as part of the upstream emissions. Wood Mackenzie (June 25th, 2017). LNG versus pipeline gas: how do life-cycle emissions compare? Wood Mackenzie. Retrieved from: https://www.woodmac.com/news/editorial/lng-pipeline-gas-emissions/

[8] Posaner, Joshua (June 9th, 2018). Northern Germany's pipe dream. Politico. Retrieved from: https://www.politico.eu/article/nord-stream-russian-pipeline-soft-landing-in-lubmin-germany/

For us it was only a business decision. If they wanted to use our harbour for the pipeline as they did. There's something like 60.000 or more pipes that are going through Hanko. For us means, employment, tax revenue for the city and development for the harbour. All, these things from our point of view, are just positive things. We have been happy with the project (interview 8).

I think it has been quite the similar experience. So that, I regard form Kotka point of view, of course the project one was built in a bit different political atmosphere. So, in a bigger picture the second one has attracted more attention from the neighbour countries although Estonia already back them and Denmark was pretty critical about the first one. But as I said, it's kind of the political situation between the EU countries and Russia has affected this one a little bit more on a broad political level. But on the local level, in Kotka I don't see much difference between the Nord Stream 1 and Nord Stream 2 (interviewee 1).

Whilst in the international arena the Project is not perceived that positively, specially by states such as the Poland or the United States. In this last case, the reason can be that NSP2's operability represents a threat to its interests of exporting liquified natural gas, LNG, to European markets. In this sense, Nord Stream 2 counts with a comparative advantage because the gas is transported via pipeline instead of in liquified state by ships, offering a more secure supply[9]. Concretely, the gas from the pipelines comes from a larger exporter as it is Russia, whose main market is Europe (as shown in report 3: Mitrova and Boersma, 2018, p.9). On the contrary, for the LNG, Europe is the market of last resort due to it has better opportunities in other markets such as Asia or South America (media article 4: Wood, 2016, p. A3). In addition to that, gas transport by pipeline emits less than half CO2 than by ship due to liquefaction is a complex process that implies high inputs of energy and more complex transport systems. Whilst in the pipeline, the gas emits CO2 when it is already consumed in the market. Furthermore, the pipeline is more cost efficient than the LNG imports due to the Russian gas export is based on volume not in price (report 3: Mitrova and Boersma, 2018, p. 13). In addition, the transport capacity is higher via pipeline due to the Russian imports are more constant thanks to the vast reserves – as a reminder: Russia counts with approximately 40% of the world's gas reserves. Nevertheless, other imports have the tendency to suffer gas deficits - as it happened in the US during the 2000s – because they do not have enough of gas to cope with the demand.

Thus, in the international sphere, the Project finds it more difficult to be perceived positively, due to, here converges different interests, emotions, and strategies of some actors and enterprises in relation to the gas supply to the European market. Such differences are reflected in the international political game as shown in some of the media articles analysed in this study:

---

[9] In 2015 most of the LNG importers failed to deliver to the EU because of political turmoil (Egypt and Yemen), or better market opportunities somewhere else (e.g. Asia, Middle East or South America) (Wood, 2016, p. A3).

"It's clear. This is Germany giving the Russians money while others are defending them," Secretary of State Mike Pompeo told CNBC at CERAWeek, apparently evoking the administration's complaints that Berlin is not contributing enough to NATO (CNBC, March 15th, 2019)[10].

When a megaproject makes no commercial sense, there are two possibilities. Either its sponsors are fools, or they have other motives. Since Vladimir Putin is no fool, one must assume that his pet pipeline is not really a business venture – and that the fools are the Europeans, in particular the Germans. (The Economist, February 16th, 2019) [11].

Be prepared for the next Kremlin's tentacle over Europe's body. With different levels of success, Russia acts in Europe through pipelines, propaganda, spies, and political and religious links. The EU is facing the challenge of answering with unity (El País, March 12th, 2019)[12].

To overcome the challenge presented by the international politics, the local stakeholders, the company and the authorities adopted a local approach to the Project, leaving aside the high politics. This approach involved the improvement of trans-governmental relations and structuring the discussion at the conceptual level within short-term problem solving (Ferman, 2009, p 147). These measures consisted of the engagement of low-and-medium-level officials and other stakeholders in the improvement of the EU-Russia energy dialogue. The aim of this was "to construct international regulatory instruments designed largely as a way of guiding national regulation towards internationally agreed norms" (Pettman, 2012, p. 68). As a result, certain socialization emerged from this engagement in these municipalities that could help to the development of a "common strategic vision for energy cooperation between EU and Russia" (Ferman, 2009) in the future. Interviewee 7 and reports 1 and 2 illustrated this issue stating that:

Yes, [It is] more regional. It's funny because the whole Europe is involved, but in Finland is regional […] That's really funny because that word [referring to the word *trust*] has a negative meaning in Estonia, in Poland, and In Sweden. First, they said No, then they said yes. I think once they got the information they said yes (interviewee 7).

EIA procedure. In Finland, the EIA procedure provides government authorities and other stakeholders with various ways to participate in the procedure. The Finnish EIA procedure was completed on 27/07/2017, after the coordinating authority, Uusimaa ELY Centre, responsible for the

---

[10] DiChristopher, T. (March 15th, 2019). America's energy capital became a battleground over a Russian pipeline to Germany this week. CNBC. Retrieved from: https://www.cnbc.com/2019/03/15/us-energy-capital-became-a-battleground-this-week-over-nord-stream-2.html

[11] The Economist. (February 16th, 2019). The Nord Stream 2 gas pipeline is a Russian trap. The Economist. Retrieved from: https://www.economist.com/leaders/2019/02/16/the-nord-stream-2-gas-pipeline-is-a-russian-trap

[12] *Prepárense para el próximo tentáculo del Kremlin alrededor del cuerpo de Europa.* Con distintos niveles de éxito, Rusia actúa en Europa a través de gasoductos, propaganda, espionaje, vínculos políticos y religiosos. La UE afronta el reto de responder con unidad al desafío. Rizzi, A. (March, 12th 2019). Prepárense para el próximo tentáculo del Kremlin alrededor del cuerpo de Europa. El País. Retrieved from: https://elpais.com/internacional/2019/03/01/actualidad/1551447676_778655.html

national procedure in Finland, provided its statement on the EIA report of the Finnish section of the planned Nord Stream 2 natural gas pipelines though the Baltic Sea. The coordinating authority's statement will be taken into account in the Finnish permitting procedure (Nord Stream 2 AG, 2018).

The democratic nature of the countries involved in the project drives the company to recognize the importance of stakeholder engagement process, SEP, for building a relationship for the possible environmental and social impacts. For that reason, Nord Stream is implementing a stakeholder engagement process in all the NSP2 project that is tailored specifically for every country where the pipeline crosses. This SEP has been developed following the requirements of the International Finance Corporation, IFC, Performance Standards, PS, and the regulatory requirements of every project country at the beginning of the project (Ramboll, 2017).

In practise, this is done through the performance of disclosure. In this case, Nord Stream 2's corporate disclosure can be identified as the company's elaboration of documents with social, and economic content. This disclosure is "a tool for building, maintaining and legitimizing economic and political arrangements, institutions, and ideological themes which contribute to the corporation's private interests" (Gurthier & Parker, 1990, p. 166). Overall, Nord Stream 2 disclosure sets a strategy that contributes to the relationship between the project company and its stakeholders. Put in another way, the project company seeks to communicate their legitimisation actions through disclosing positive news. This type of reporting allows the company to gain and retain the legitimacy of its operations. In this sense, the project company will do "whatever they regard as necessary in order to preserve their image of a legitimate business with legitimate aims and methods of achieving it" (Fernando & Stewart, 2014, p. 156). Interviewee 8 commented on this:

It has been very good from the start. They have been very open in their information. We have been informed in all the phases. They have informed what they are doing, what's the next step and how the project is moving forward. And we have met them several times every year when they have come to Hanko and explaining what is going to happen next time. The information from their part has been pretty good, and they had one Finnish speaking person as a sort of main contact, and she has been sending all the information we have been needing, or even more… That has been handled pretty well from the project and the company (interviewee 8).

6.2.5 Socio-political impact

Overall, the units present in the *socio-political impact* show a positive perception of the Project. Units such as *experience, employment, unemployment, jobs…* reflect the positive impact of the Project in the regions of Hanko and Kotka. The project has created over 400 direct employments and several indirect working places, reducing the high unemployment rates present in these areas. The employability of the people living in these areas enables the building of social capital. Thus, the opportunity to work in this international project provides to those people with new sets of skills and experiences that can be applied to other projects or economic sectors. In addition, it prepares them for the beginning of the future knowledge society.

On the other hand, units such as *people, citizens, local level*, or *public r*einforces this positive perception of the project by the locals due to these notions were referred to in the interviews and documents quite often. Furthermore, *information evidence, evidence, explaining*, *understanding* or *direct effect* were unit patterns constantly used by the interviewees and documentation. This somehow reinforces the legitimization strategy followed by the project company to gain the license to operate in these Finnish municipalities. This can also be seen as a complement to the disclosing implicit in the CSR performance of the company. Interviewees 6 and 8 offered the following insights regarding this issue:

> We also have a lot of young people that are having the first experience in working life, and sometimes is very difficult to have the first step in the business life. You know, many experience… all the employers are looking for 'ah, but you don't have any experience in the work life'. So, we have been lucky enough to been able to provide that first step for work for many people. So, they get a significant training that can be useful in other projects or works after this project (interviewee 6).
>
> We in Hanko, we don't have that approach to the matter. For us is not a political question but a business question. We have a very welcoming port in Hanko and the port was very suitable for the project. In that sense, we didn't have to take into consideration the superpower politics in Europe or the energy sector as a tool for power in the international politics (interviewee 8).

"The implementation of these types of growth projects work better in places which certain political stability and lower levels of corruption practises" (Menegaki & Ozturk, 2013, p. 881). In these contexts, the production is fundamental to convert economic 'inouts' such as raw materials and labour time into goods and services with high value. Therefore, it can be said that "production is a dimension of the economic life where most of individuals participate directly in the form of paid or unpaid work with significant and immediate consequences for their quality of life" (Pettman, 2012, p. 57). Interviewees 1, and 7, and one of the press articles gave interesting insights about this:

> For us means, employment, tax revenue for the city and development for the harbour. All, these things from our point of view, are just positive things. We have been happy with the project (interviewee 8).
>
> From the local point of view the opportunities in Kotka are quite remarkable because one of the plants is located in the port of Hamina Kotka in Mussalo, where they cover the pipes to put them into the sea bottom. It has been a very remarkable employer in the city where unemployment has been high for several years already. At the highest point they employed more than 400 people in Kotka. That's the opportunity for local people (interviewee 1).
>
> Well, the project gives jobs first at all. The people see it here that it gives money to the neighbourhood. We have many supporters. Maybe some say that there are people against us, but no. The City is owning the port of HaminaKotka. They are quite small. In Hamina maybe 12000 people, in Kotka 54000 people. We are the biggest port in Finland, so the importance of our operations work for something like 7000 people here. So, almost any project or issues, people vote for us [referring in terms of *trust* not in election votes]. Not depending on the political bodies or anything like that (interviewee 7).
>
> The pipeline is fiercely contested by much of the former communist block in central Europe, with Poland among those trying to kill the project. But just 50 km west of the Polish frontier, Lubmin's

mayor says the economic advantages outweigh the geopolitical risk […] Lubmin's tax earnings boom from €350.000 a year when he took charge [the Mayor of the city Alex Vogt] to €6.5 million today (Politico, June 9th, 2018)[13].

Globalisation has produced a change in how power and resources are distributed between governments, businesses and communities. These changes are empowering the rise of brand-new ways of political mobilisation and struggle. In this context, businesses have to face more complex social and market dynamics that cannot be controlled neither by governments or businesses. This has been exemplified by interviewee 4:

> Our working level permitting is mainly with the region authorities but partly with the ministries. I think the Finnish authorities have been really neutral, they have not taken any stand, neither positive nor negative opinion about the project. They have processed this according to legislation and the normal practices, which is a good a stand point from them. Because there's been a lot of discussion here and there, positive and negative discussions from media, but they have kept their scope as they should. I think that the relation [with the authorities] has been positive (interviewee 4).

This new type of regulatory regime imposes big businesses to deal with social demands. Namely, they have the responsibility to ameliorate the social impacts produced from their economic activities. This new trend has enabled the emergence of new governance initiatives, most of them related to the supply chain. As a result, organisations should now comply with social norms. Thus, the contracts that regulate the conditions implied in the relationship between buyers and suppliers comprise labour and social standards. Therefore, nowadays many organisations take part in initiatives that seek to set standards, auditing and cooperation with governmental and non-governmental organisations, NGOs, in supplier and buyer countries. For instance, these initiatives often include supply-chain governance that includes multi-stakeholder approaches. This seeks to stablish control standards in the production activities of transnational projects. In practical terms, these standards are mainly based on private systems of certification and enforcement. This was observed along the data, particularly in the statements of interviewee 1, 2 and 7:

> Well, the most affected are those people employed by the project but in the broad spectrum, those people who got their jobs in these projects, they have earned money and paid taxes to the city, so the city can provide services for also other people than those concerned. That's the main thing which has affected this city and this area here. Otherwise, I don't recall any remarkable effect (interviewee 1).

> And elaborating and delivering [the EIA] for the stakeholders, we organised three public hearings in Kotka Helsinki and Hanko. And in Kotka we had 5 people attending […] So, this shows that there is no so much public interest because there were not so many people attending the public

---

[13] Posaner, Joshua (June 9th, 2018). Northern Germany's pipe dream. Politico. Retrieved from:
https://www.politico.eu/article/nord-stream-russian-pipeline-soft-landing-in-lubmin-germany/

meetings where they had the possibility to ask questions, to have a say, express their opinions… As far as I remember, we had more people in the first initial phase where we had some people asking questions. The most interesting was that the media was expecting whether Kotka and Hanko will get the project or will become logistics hubs or not and get work. That was the biggest interest (interviewee 2).

it's all about giving information. I think the Nord Stream handled that quite well. They had opened a public hearing, they gave press releases, and the local newspapers were keen to write about this. And, I think there are parts in Finland that they know this is really happening. their news are the dog's frameworks. This concerns only a party of Finland. (Interviewee 7).

6.3 Discussion

All the units and subcategories explained above can be seen as the necessary features of a positive framework that can be illustrated in the main category *stakeholder interactions and cooperation*. These foundations provided a suitable framework that enabled the execution of the Nord Stream Project 2, and therefore, they answer the research questions made in this study. As a result, the project company can achieve its goal of supplying natural gas to the European markets, at the same time that the local citizens of Hanko and Kotka and other stakeholders reach certain degrees of development in their respective regions. For instance, these municipalities also benefited from the infrastructural development that the project company made in the Port of Haminakota, in Kotka, where the coating plant was developed, or the port of Koverhar whose renovation was financially supported by the project company. All these infrastructures remain under ownership of the municipalities during and after the Project.

The examination of the data also revealed the influence of energy over security provided by the state, production forces, and the credit available through finance. This last becomes important to sustain knowledge structure in its goal of pursuing profit, wealth, and greater material comfort. Therefore, the rationale of "the energy supply is accepted, desirable and legitimate" (Strange 1991, p. 229). Thus, through the study of energy, it is possible to see how the functionion of the capitalist system, which is driven by production, financial investment and the accumulation of capital in order to grow. According to Pettman (2012, p.57) "these are fundamental features through which capitalist societies achieve the material prosperity and living standards." Furthermore, this system is maintained by large protection structures for private property, as well as the pivotal role of markets when setting prices and coordinating market exchanges. These features enable the market forces to determine the allocation of social resources, the control of cumulative investment and growth.

Social capital played an important role in the execution of the Nord Stream Project 2. Without this, it would not had been possible to set a favourable framework where the project company could interact with the other stakeholders. Social capital can be explain as the link that ties different

relationships in a network (Putnam, 1995; Andriof.et al 2002). According to Andriof et al. (2002) in an era of networked stakeholder relationship, it is important to understand social capital in order to build and maintain corporation-stakeholder connections. The core meaning of these relationships between different actors in a network is based on trust (Tittenbrun, 2013), and they depend on the context where these take place (Koniordos, 2017). In this last aspect, Lee (2009) argues that these relationships and networks hold different configurations across individual, regions, national and international sociocultural situations. Therefore, these constitute the safeguard for corporations to participate in social networks and other social structures that could possibly provide the necessary trust to gain the license to operate. Interviewee 4 illustrated this in the following way:

> There's a lot of people who have no high education, for example, as factory workers or people who come directly out of school, so they are trained in a job and they get experience working in an international project like this as we discussed earlier, and the personal gain is, of course, having a job for the duration of the project and gaining the experience. And after that, they have better opportunities to apply for next jobs. Also the companies who have been involved said that it's been a big lesson to learn for them in terms of being part of an international project, so that, they get very important skills for any future potential projects that tare international and they may be pitching for a that they may be dared to pitch (interviewee 4).

This study on the Nord Stream 2 in Hanko and Kotka shows that network is a key feature in the formation of social capital. "Networks can provide social support, self-steam, identity and perceptions of control" (Cattell, 2001; Cohen & Symen, 1985; Brown & Harris, 1987), enabling people to cooperate for mutual benefit. In this case, the networks found in the Finnish municipalities involved in the project were important because they provided the basis of trust, co-operation and collective action that enabled the setting of the pipes in the Finnish area of the Baltic Sea.

"Social capital is normally associated with effectiveness and success in societies, companies and organizations" (Fukuyama, 2001). For the Nord Stream 2, building, maintaining and understanding the value of social capital was essential for project's progress, due to, without a common understanding between the actors, there would not had been room for cooperation in the project. Thus, this approach entitled the project company with the necessary credit, information and opportunities to perform its activities in the Finnish municipalities named in this study.

7. Conclusions

The enquiry proposed in this study tried to reflect the rationale behind the NSP2's stakeholder engagement strategy in the Finnish context, as well as the other stakeholders' perception of the project at the regional and international level. Thus, the aim of this research was to comprehend the reasons that lead the project company to cope with socio-political responsibilities before being able to set the second set of gas pipeline that crosses the Finnish EEZ. In particular, the analysis of the character of stakeholder interactions and the legitimation process were essential to achieve this, and therefore, answer the research questions presented in this study. For that, this study was conducted by using an inductive approach of stakeholder identification and QCA of the data extracted from the Finnish municipalities of Kotka and Hanko.

Finland is a democratic state, concretely, a stealth democracy, that is, citizens rely on experts decision-making expertise when deploying macro-projects that have socio-economic impacts (Ruostetsaari, 2017). This form of democracy lies more in citizens and governmental vigilance of how the decision-making process develops rather than the claim of decision-making powers. In other words, citizens wonder more on how things are being performed and how they are held accountable rather than claiming decision-making power. This process is based on interactions between stakeholder groups, and they require high levels of transparency and responsibility. This last attribute is pivotal in this study due to is a key feature in the role of the project company as a political actor.

Generally, this process is important for the functioning of Finnish democratic system, which is based on a capitalist system fundamentally driven by ethics and environment and society by nature. In order to understand Finnish capitalist system three aspects should be kept in mind: 1) it is a system that regards what kind of value is created for the democratic system when deploying these types of macro projects; 2) any corporate and citizen physical activity should be led to preserve the environment; 3) Citizens and government provide the license to operate, therefore, stakeholders should be always accountable. These systemic features explain why the relation society – government – corporation is important in the Finnish context. The understanding of this relation drove me to think on the Finnish democratic system as a stakeholder model of democracy, SMD, which functions as an instrument of the conceptual nature of Finnish 'stealth democracy'. Thus, this scheme helps to comprehend why stakeholder perceptions and accountability was important for the deployment of Nord Stream 2's stakeholder engagement plan in the Finnish municipalities analysed in this research. Figure 10 illustrates the line of inquiry explained in this paragraph.

Democracy in Finland

Stealth Democracy = Reliance in experts (technocracy)

Process rather than decision making →"Political Consumerism"

Based on interactions between groups

Transparency

Responsibility

Important for the functioning of the system: **Capitalist** system

System based on Ethics and Environment

Value creation for democracy

Preserve the environment

License to operate

Relation: Society – Government – Corporations

Stakeholder Model of Democracy (SMD)
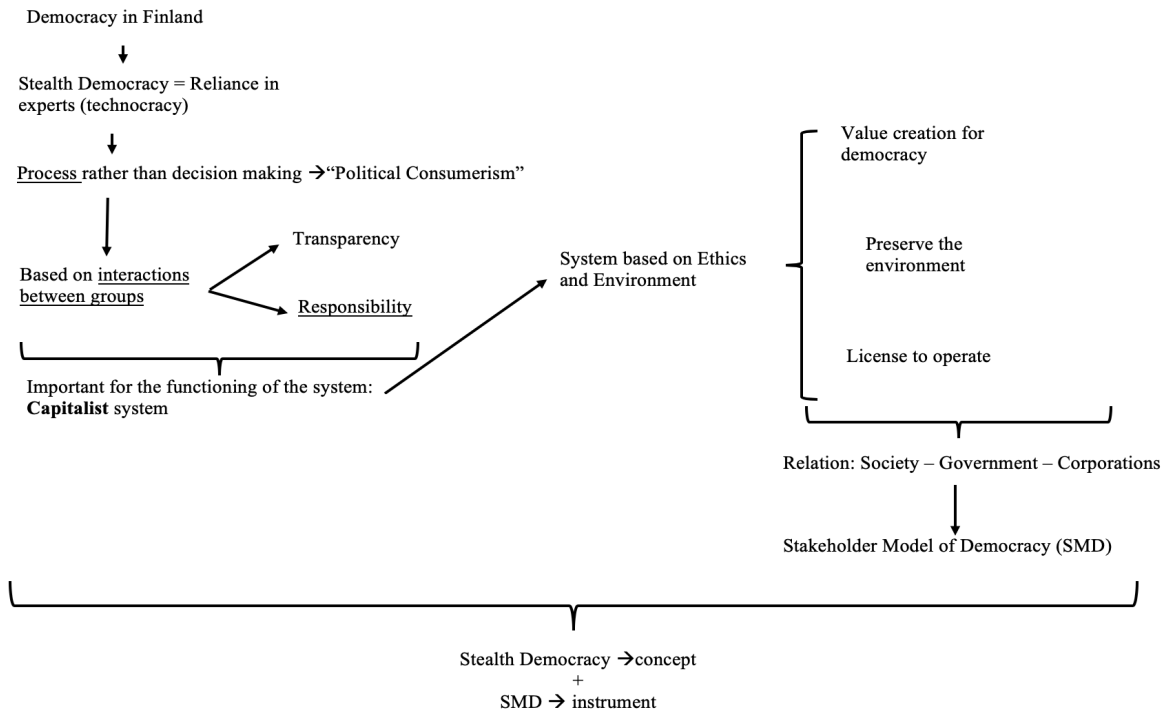
Stealth Democracy →concept
+
SMD → instrument

Figure 10. Line of inquiry Nord Stream 2 in Finland: Cases of Kotka and Hanko

To sum up, Nord Stream 2 actions in the municipalities of Hanko and Kotka are an example of the corporate deployment in a stealth democracy. Apart of the direct contact with the structures of power themselves, the project company had to establish contact with other stakeholder groups in order to proceed with its activities. In other words, what took place was an up-to-bottom and bottom-to-up approach, that ended up affecting the regional development in terms of infrastructure and social capital in those municipalities. Concretely, the impact on the municipalities' social capital has been an important factor for the execution of the Project. Without understanding this, it is not possible to comprehend the answer to the research question on *how the residents of Hanko and Kotka, Finnish government and Nord Stream 2 AG cooperated to provide with social license to operate for the project?* In this case, it is possible to say that information and communication flow, as well as engagement have been the key factors to reach an optimal and coordinated cooperation between parties.

Complexity and value creation for stakeholders.

Complexity has been one of the main drivers that led this research, specially, in the study of the complex relations between stakeholders. This relationship comes from the gap between businesses and human beings produced in the last decades - leading these two actors to evolve in separate paths. Such

separation has created a compelling conflict of interests and expectations between actors in a context. That is why, ST emerged, seeking to find a resolution for this conflict.

Furthermore, this disagreement has been fuelled by the different approaches about creating value, and for whom or what value is created in these interactions (Saarijärvi et al., 2013). In other words, the lack of understanding on the notion of value has caused to forget that the interests of one actor is enhanced by the presence of others. In this regard, the deployment of the Nord Stream 2 in the Finnish regional level, helps to understand the new conceptualization of business "as a set of relationships among groups which have a stake in the activities that make up the business" (Freeman et al., 2010, p.34). In this case, it is needed to comprehend how customers, suppliers, employees, shareholders, communities and managers interacted with each other to create value. Namely, how these interactions happened and why it was important to sustain good relations between all the groups. To sum up, the idea is that, in macro-projects such as Nord Stream 2, groups cannot stand alone in the task of creating value. This is mainly because the stakes of each stakeholder are connected to each other. Nevertheless, maintaining these interactions requires "discipline, vision and committed leadership".

The Nord Stream 2's stakeholder relationships in Finland have been integrated in a system driven by the idea of purpose. The idea was to find out how to produce stakeholder value and solutions when interests diverge. In other words, pursuing goals with others. That is to say, when groups gather together for pursuing a big idea that affects our day-to-day activities (Freeman, 1994). That is another reason why the project company put special effort on the stakeholder engagement.

Transition in the study of energy issues

Energy supply, sustainability and market rules should be studied in a wider perspective that includes the introduction of the social and political context where these themes are imbedded. For that reason, this research tried to shed light on the study of the social and political perspective of energy supply. In this sense and case, Aalto (2008) argues that energy supply to Europe from Russia is a topic characterized by uncertainty, complexity and polarization. By 'uncertainty' is meant that the future of energy supply is still highly dependents on the political relations between the EU and Russia. 'Complexity' relates to the challenge on securing the energy supply and its promotion with other stakeholders. Finally, 'polarization' needs to be seen as how the political support works as the tool that connects all different components of the wider picture that enables the energy supply.

Energy supply to Europe will always depend on political, social and economic factors (George, Goodman & Hollander, 1981; Lévêque, 2010). Despite this was stated when Europe faced a transition from coal to oil in the 1980s, it is possible to apply the same statement in the actual context with the

transition towards new ways of energy supply, new facets of democracy, and a new context in the international society. In this study, similar social, economic, and political phenomena have been distinguished as it was in 1980s. However, in this case, what is being witnessed is how citizens have been held more accountable by governments and energy firms, as, people have more information and understanding on these issues. As a result, the understanding of social, political and economic dynamics helps to find the answer to the research question on *What legitimizes an actor to execute transnational energy projects that cross different jurisdictional zones?*

Citizens' trust and legitimacy are important elements for the development of these types of energy projects. Concretely, citizens give high importance to "the uncertainty in assessment of impacts, transport mechanisms of pollutants in the environment, the reliability of technologies, and the judgement of what is an acceptable risk or level of damage" (Geral & Lönnroth, 1981, p. 21). Inevitably, these issues create personal opinions and prejudices that could lead to political conflict. For that reason, a mismanagement of these issues by one company or industry could cause an impact on the organizational reputation, as well as damaging the trust placed in the regulatory authorities. To avoid these problems, citizens demand techniques that assess the possible "harms" and "goods" of these kinds of projects. One of the most common tools to measure these factors is the EIA used for the Nord Stream project 1 and revalidated for project 2. This technique gave "administrative guidelines to cope with projects of this character" (O'Riordan, 1981, p.158). Generally, the EIA has been made to fill two tasks. First, to observe the general matters related to macro-projects. Second, to search for suitable frameworks that help to reduce social and environmental damages caused by the proposed activity. Thus, the EIA is regarded as a novel participatory environmental management activity that incorporates risk analysis as a formal part of this process. Shortly, these considerations illustrate how the energy firms deal with the new forms of social contract in democratic countries, which are founded on the distribution of power and authority.

To conclude, the Nord Stream 2 has caused multiple reactions, opinions and emotions at the international level, especially by the global super powers whose interests are also at stake with this project. Concretely, the conflict of interests has played a key role in the emergence of these reactions. In this case, the problem is that the international perspective differs from the regional perspective in a way that emotions and prejudices seem to have a compelling influence in the international arena. This has caused that a commercial project evolved into a political controversy.

The topic of Nord Stream 2 has become an instrument or excuse for some actors or super powers to use the project as a political tool in the international arena: either for achieving foreign or national policy goals, or to claim that the project represents a geopolitical threat from the Russian neighbour. Nevertheless, this falls pointless, due to, first, the EU remains as a regulator of the

infrastructure (see EU's Regulation (EC) No 715/2009) and the infrastructure developed in those regions involved with the pipeline remain owned by the respective municipalities. Second, the project company, Nord Stream 2 AG, has also European energy companies such as the French Engie, the Austrian OMV, the British-Dutch Shell, and the Germans Uniper and Wintershall as shareholders, complementing the main participation of Gazprom in the project company. In addition, Nord Stream 2 AG uses European subcontractor companies, and employs local labour force in the regions involved in the project. Third, it is important to bear in mind the EU's Energy Security Strategy (See EU's Energy Security Strategy COM/2014/0330) when analysing the NSP2. This strategy is set to offer room for different types of energy production and imports, due to "the strategy seeks to ensure a stable and abundant supply of energy for European citizens and the economy". Therefore, this leaves room for other types of energy supply such as nuclear power energy, renewable energy supply, or, liquified natural gas imported by tankers.

List of References

Primary sources

Author-conducted interviews (8 in total)

DiChristopher, T. (2019, March 15th). America's energy capital became a battleground over a Russian pipeline to Germany this week. *CNBC*. Retrieved from: https://www.cnbc.com/2019/03/15/us-energy-capital-became-a-battleground-this-week-over-nord-stream-2.html

European Commission (2014). EU's Energy Security Strategy. *Communication to the European Parliament and Council of the EU COM/2014/0330*. Retrieved from: https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:52014DC0330&qid=1407855611566

European Commission (2014). Guidance on best practices for congestion management procedures in natural gas transmission networks. *Regulation (EC) No 715/2009*. Retrieved from https://ec.europa.eu/energy/sites/ener/files/documents/20140711_guidance_congestion_management_ngtn.pdf

Kauhanen, Anna-Liina (2019, January 13th) Yhdysvallat jatkaa saksalaisyhtiöiden painostamista Nord Stream 2 -hankkeen estämiseksi – Saksan ulkoministeri Maas: "Päätökset Euroopan energiapolitiikasta tehdään Euroopassa, ei Yhdysvalloissa.*Helsingin Sanomat.* Retrieved from: https://www.hs.fi/ulkomaat/art-2000005964340.html

Mitrova, T., & Boersman, T. (2018). The impact of US LNG in Russian natural gas export policy. *Center of Global Energy Policy.* Retrieved from: https://energypolicy.columbia.edu/research/report/impact-us-lng-russian-natural-gas-export-policy

Nord Stream 2 AG. (2005). Secure Energy for Europe. The Nord Stream Pipeline Project. Nord Stream AG. Retrieved from: www.nord-stream.com (Date of access: 29.4.2018).

Nord Stream 2 AG (2017). Fact-Checking Myths. www.nord-stram2.com. https://www.nord-stream2.com/project/facts-myths/ Date of access: Wednesday 8th of November 2017.

Nord Stream 2 AG. (2018, February, 9th). Stakeholder Engagement Plan. *Nord Stream 2 AG*. W-HS-EMS-PFI-PAR-800-SEPFINEN-05. Retrieved from: https://www.nord-stream2.com/permitting-finland/

Posaner, Joshua (2018, June 9th). Northern Germany's pipe dream. *Politico*. Retrieved from: https://www.politico.eu/article/nord-stream-russian-pipeline-soft-landing-in-lubmin-germany/

Ramboll (2017, April 3rd,). Nord Stream 2. A natural gas pipeline through the Baltic Sea. Environmental impact assessment report, Finland. Ramboll. W-PE-EIA-PFI-REP-805-030100EN-09 Retrieved from: https://www.nord-stream2.com/en/pdf/document/72/

Rizzi, A. (2019, March 12th). Prepárense para el próximo tentáculo del Kremlin alrededor del cuerpo de Europa. El País. Retrieved from: https://elpais.com/internacional/2019/03/01/actualidad/1551447676_778655.html

The Economist. (2019, February 16th). The Nord Stream 2 gas pipeline is a Russian trap. The Economist. Retrieved from: https://www.economist.com/leaders/2019/02/16/the-nord-stream-2-gas-pipeline-is-a-russian-trap

United Nations. (1991). Convention on Environmental Impact Assessment in a Transboundary Context. The Espoo Convention. Retrieved from: https://www.unece.org/environmental-policy/conventions/environmental-assessment/about-us/espoo-convention/enveiaeia/more.html

Wood Mackenzie (2017, June 25th). LNG versus pipeline gas: how do life-cycle emissions compare? *Wood Mackenzie*. Retrieved from: https://www.woodmac.com/news/editorial/lng-pipeline-gas-emissions/

Secondary Sources

Aalto, P. (2008). The EU–Russian energy dialogue and the future of European integration: from economic to politico–normative narratives. *The EU–Russian energy dialogue: Europe's future energy security*. Aldershot: Ashgate.

Agle, B. R., Donaldson, T., & Freeman, R. E. (& others). (2008). Dialogue: Toward Superior Stakeholder Theory. *Business Ethics Quarterly*, 18(2), 153–190. Retrieved from http://search.ebscohost.com.helios.uta.fi/login.aspx?direct=true&AuthType=cookie,ip,uid&db=pif&AN=PHL2123463&site=ehost-live&scope=site&authtype=sso&custid=s4778523

Agné, Hans et al. (2015). Does Stakeholder Involvement Foster Democratic Legitimacy in International Organizations? An Empirical Assessment of a Normative Theory. *Rev. Int Organ*. 10. 465-488. doi: 10.1007/s11558-014-9212-6.

Andersen, S., Goldthauand, A & Sitter, N. (eds.). (2018). Energy union: Europe's new liberal mercantilism? (international political economy series) *Palgrave Macmillan Society and Economy*, 40(2), 315-327. doi:10.1556/204.2018.40.2.8

Aldighieri, D. (2009). Shaking Hands Under the Baltic Sea: the Nord Stream Pipeline and the Baltic Sea Region. Tampereen: Tampereen Yliopisto.

Andorno Koivurova, R., & Pölönen, I. (2010). Transboundary environmental impact assessment in the case of the Baltic Sea gas pipeline. The International Journal of Marine and Coastal Law, 25(2), 151-124. doi:10.1163/157180910X12665776638588

Andriof, J., Waddock, S., Busted, B., & Sutherland, S. (2017). Unfolding stakeholder thinking: Theory, responsibility and engagement (1st ed.). *Routledge Ltd*. doi:10.4324/9781351281881.

Antonacopoulou, E. P., & Méric, J. (2005) A critique of stake-holder theory: management science or a sophisticated ideology of control?, *Corporate* Governance: *The international journal of business in society*, 5 (2), pp.22–33, https:// doi.org/10.1108/14720700510562631

AoIR. (2012, December). Ethical Decision-Making and Internet Research: Recommendations from the AoIR Ethics Working Committee (Version 2.0). *Association of Internet Research.* Retrieved from: http://aoir.org/reports/ethics2.pdf

Arter, D. (2000). Small state influence within the EU: The case of finland's 'Northern dimension initiative'. *JCMS: Journal of Common Market Studies*, 38(5), 677-697. doi:10.1111/1468-5965.00260

Balaam, D. N., & Dillman, B. (2014). Introduction to international political economy (6th ed.). Boston: Pearson Education. Retrieved from: https://ebookcentral.proquest.com/lib/tampere/detail.action?docID=2125442.

Banciu, R. I. (2016). NORD STREAM 2 and its soft power - an unfolding playground for European union. *Romanian Journal of European Affairs, 16*(2), 83–91. Retrieved from http://helios.uta.fi/docview/1795493477?accountid=14242

Boesso, G., & Kumar, K. (2009). An investigation of stakeholder prioritization and engagement: Who or what really counts. *Journal of Accounting & Organizational Change*, 5(1), 62-80. doi:10.1108/18325910910932214

Brejning J. (2012). Corporate Social Responsibility and the Welfare State: The Historical and Contemporary Role of CSR in the Mixed Economy of Welfare. Farnham, Surrey: Routledge.

Brown, G.W., & Harris T.O. (1987). Life events, vulnerability and onset of depression: some refinements. *British Journal of Psychiatry*, 150 (1) 30-42. doi: 10.1192/bjp.150.1.30

Buzan, B. (2014). An introduction to the English School of international relations: The societal approach. Cambridge: Polity Press.

Bäckstrand, K. (2006). Democratizing global environmental governance? stakeholder democracy after the world summit on sustainable development. *European Journal of International Relations*, 12(4), 467-498. doi:10.1177/1354066106069321

Cattell, V. (2001). Poor people, poor places, and poor health: The mediating role of social networks and social capital. *Social Science & Medicine*, 52(10), 1501-1516. doi:10.1016/S0277-9536(00)00259-8

Costa B. F, (2015, September 18th). The State of the Art of English School. *E-International Relations*. Retrieved from: https://www.e-ir.info/2015/09/18/the-state-of-the-art-of-the-english-school/

Cowhey, P. F., Aronson, J. D., & Abelson, D. (2012;). Transforming global information and communication markets: The political economy of innovation (1st ed.). Cambridge, Mass: MIT Press

Cox, R. W., & Schechter, M. G. (2003). The political economy of a plural world: Critical reflections on power, morals and civilization. London; New York;: Routledge. doi:10.4324/9780203116036.

Crane, A., & Ruebottom, T. (2011). Stakeholder theory and social identity: Rethinking stakeholder identification. *Journal of Business Ethics*, 102(S1), 77-87. doi:10.1007/s10551-011-1191-4

Crombie, A., & Driscroll, C. (2001). Stakeholder legitimacy management and the qualified good neighbour: The Case of Nova Nada and J.D.I. *Business and Society*: 40,4: Social Science Premium Collection.

Crowther, D., & Aḥmad, J. (2013). Education and Corporate Social Responsibility: International Perspective*s*. Bingley, U.K.: Emerald Group Publishing Limited.

Desai, V. M. (2010). Power, legitimacy, and urgency in organizational learning: Learning through stakeholder complaints to improve quality in the California nursing home industry. *Journal of Leadership & Organizational Studies*, 17(3), 264-275. doi:10.1177/1548051810368543

Durante, M. (2013). The Democratic Governance of Information Societies. A Critique to the Theory of Stakeholders. *Philos.* Technol, 28:11–32. DOI 10.1007/s13347-014-0162-y.

Elo, S., & Kyngäs, H. (2008). The Qualitative Content Analysis Process. *Journal of Advance Nursing,* 62 (1): 107 – 115. DOI: 10.1111/j.1365-2648.2007.04569.x

Fassin, Y. (2009). The stakeholder model refined. *Journal of Business Ethics*, 84(1), 113-135. doi:10.1007/s10551-008-9677-4

Flick, Uwe (ed.) (2018). Qualitative Data Collection. London: SAGE. ISBN: 978-1.4739-5213-3.

Fermann, G. (2009). Political Economy of Energy in Europe: Forces of Integration and Fragmentation. Berlin: Berliner Wissenschafts-Verlag. Retrieved from http://search.ebscohost.com/login.aspx?direct=true&AuthType=cookie,ip,uid&db=nlebk&AN=1790945&site=ehost-live&scope=site

Freeman, R. E., Kujala, J., & Sachs, S. (2017). Stakeholder engagement: Clinical research cases. Cham: Springer

Freeman, R. E., Harrison, J. S., & Wicks, A. C. (2010). Stakeholder theory: the state of the art. *The Academy of Management Annals*, 4(1), 403-445. doi:10.1080/19416520.2010.495581

Freeman, R. E., & Phillips, R. A. (2002). Stakeholder theory: A libertarian defense. *Business Ethics Quarterly*, 12(3), 331-349. doi:10.2307/3858020

Freeman, R. E. (1994). The Politics of Stakeholder Theory: Some Future Directions. *Business Ethics Quarterly*, 4(4), 409–421. Retrieved from http://search.ebscohost.com.helios.uta.fi/login.aspx?direct=true&AuthType=cookie,ip,uid&db=pif&AN=PHL1249392&site=ehost-live&scope=site&authtype=sso&custid=s4778523

Freeman, R. E. (1984). Strategic management: A stakeholder approach. Boston, Mass: Pitman.

Friedman, Andrew L. (2002). Developing Stakeholder Theory. *Journal of Management Studies* 39 (1). 1-21. doi: 10.1111/1467-6486.00280.

Frooman, J. (1999). Stakeholder influence strategies. The Academy of Management Review, 24(2), 191-205. doi:10.2307/259074

Fukuyama, F. (2001). Social capital, civil society and development. *Third World Quarterly*, 22(1), 7-20. doi:10.1080/713701144.

Galindo Martin, M.-A., & Nissan, E. (2010). International Political Economy. Hauppauge, NY: Nova Science Publishers, Inc. Retrieved from: http://search.ebscohost.com/login.aspx?direct=true&AuthType=cookie,ip,uid&db=nlebk&AN=343874&site=ehost-live&scope=site

Geral, F., & Lönnroth, M. (1981). The European Transition from oil: Mapping the landscape. *The European transition from oil: Societal impacts and constraints on energy policy*. London: Academic Press., pp. 3-25.

Gioia, D. A., Corley, K. G., & Hamilton, A. L. (2013). Seeking qualitative rigor in inductive research: Notes on the Gioia methodology. *Organizational Research Methods*, 16(1), 15-31. doi:10.1177/1094428112452151

Gómez Rodríguez, A., Echeverría, J., Agazzi, E., & Académie internationale de philosophie des, s. (2008). Epistemology and the Social. Amsterdam: Brill Academic Publishers.

Goodman, G. T., Kristoferson, L. A., & Hollander, J. M. (1981). The European transition from oil: Societal impacts and constraints on energy policy. London: Academic Press.

Goodpaster, K. E. (2010). Business Ethics: Two Moral Provisos. Business Ethics Quarterly, 20(4), 740–742. Retrieved from http://search.ebscohost.com.helios.uta.fi/login.aspx?direct=true&AuthType=cookie,ip,uid&db=pif&AN=EP54522583&site=ehost-live&scope=site&authtype=sso&custid=s4778523.

Goodpaster, K.E., (2014). Business Ethics. Chichester, West Sussex: Wiley-Blackwell.

Guthrie, J., & Parker, L. D. (1990). Corporate social disclosure practice - a comparative international analysis. *Advances in Public Interest* Accounting, 3, 159-175

Harrison, J. S., & Caron H. St. John. (1996). Managing and partnering with external stakeholders. *The Academy of Management Executive* (1993-2005), 10(2), 46-60. doi:10.5465/AME.1996.9606161554

Heath, J., & Norman, W. (2004). Stakeholder theory, corporate governance and public management: What can the history of state-run enterprises teach us in the post-enron era? *Journal of Business Ethics,* 53(3), 247-265. doi:10.1023/B:BUSI.0000039418.75103.ed.

Heikkinen, A. (2017). Business Climate Change Engagement: Stakeholder Collaboration in Multi--stakeholder Networks. *Stakeholder engagement: Clinical research cases*. Cham: Springer, pp. 231 – 255.

Hirst, P., & Thompson, G. (1996). Globalization in question: The international economy and the possibilities of governance (Repr. ed.). Cambridge: Polity Press

Ifflander, H., & Soneryd, L. (2014). The relative power of environmental assessment as a governance tool: Organization and the case of the Nord Stream gas pipeline. *Impact Assessment and Project Appraisal,* 32(2), 98-107. doi:10.1080/14615517.2014.896083

Kennedy, B. L., & Thornberg, R. (2016). Deduction, Induction and Abduction. *Handbook of Qualitative Data Analysis*. London: Sage, pp 49-64

Koniordos, S. M. (2017;). Networks, trust, and social capital: Theoretical and empirical investigations from Europe. London; New York: Routledge. doi:10.4324/9781315248158

Kracauer, S. (1953). The challenge of qualitative content analysis. Public Opinion Quarterly, 16, 631-642.

Krippendorff, K. (2004). Content Analysis. An introduction to its methodology (2e.) Pennsylvania, CA, USA: SAGE Publications. pp. 18-74.

Kujala, J., & Korhonen, A. (2017). Value-creating stakeholder relations. *Stakeholder engagement: Clinical research cases*. Cham: Springer, pp. 63–82.

Kujala, J., Lehtimäki, H. & Myllykangas P. (2017). Value Co-creation in Stakeholder Relationships: A Case Study. *Stakeholder engagement: Clinical research cases*. Cham: Springer., pp. 15-30.

Laine, J. (2014). Something old, new, borrowed, and blue: towards a bottom- up agenda of the Finnish–Russian relations. *Fennia* 192: 1, pp. 65–78. ISSN 1798-5617

Langlet, D. (2014). Transboundary Transit Pipelines: Reflections on the Balancing of the rights and Interest in Light of the Nord Stream Project. *ICLQ*. 63, 977 – 995. Doi: 10.1017/s002058931400022.

Leander, A. (2006). Paradigms as a hindrance to understanding world politics. *Cooperation and Conflict*, 41(4), 370–376. doi:10.1177/0010836706069604

Lee, R. (2009). Social capital and business and management: Setting a research agenda. *International Journal of Management Reviews*, 11(3), 247–273. doi:10.1111/j.1468-2370.2008.00244.x

Lévêque, F. (2010). Security of Energy Supply in Europe: Natural Gas, Nuclear and Hydrogen. Cheltenham: Elgar.

Lott, A. (2011). Marine environmental protection and transboundary pipeline projects: A case study of the Nord Stream pipeline. *Utrecht Journal of International and European Law*, 27(73), 55–67. doi:10.5334/ujiel.aq

Maxwell, J. A. (2018). Collecting Qualitative Data: A Realist Approach. *Qualitative Research (4e.)*. London, UK, SAGE Publications. pp 19–30.

Mayring, P. (2000). Qualitative Content Analysis [28 paragraphs]. *Forum Qualitative Sozialforschung / Forum: Qualitative Social Research*, *1*(2), Art. 20, http://nbn- resolving.de/urn:nbn:de:0114-fqs0002204.

Menegaki, A., & Ozturk, I. (2013). Growth and energy nexus in Europe revisited: Evidence from a fixed effects political economy model. *Energy Policy* 61, 881-887. doi:10.1016/j.enpol.2013.06.076

Miles, S. (2012). Stakeholder: Essentially contested or just confused? *Journal of Business Ethics*, 108(3), 285–298. doi: http://dx.doi.org.helios.uta.fi/10.1007/s10551-011-1090-8

Miles, S. (2017). Stakeholder theory classification: A theoretical and empirical evaluation of definitions. *Journal of Business Ethics*, 142(3), 437–459. doi: http://dx.doi.org/10.1007/s10551-015-2741-y

Mitchell, R. K., Agle, B. R., & Wood, D. J. (1997). Toward a theory of stakeholder identification and salience: Defining the principle of who and what really counts. *The Academy of Management Review*, 22(4), 853-886. doi:10.2307/259247

Morgan, D. L. (1995). Qualitative content analysis: A guide to paths not taken. *Qualitative Health Research*, 3(1), 112.

Myllykangas, P., Kujala, J., & Lehtimäki, H. (2010). Analyzing the essence of stakeholder relationships: What do we need in addition to power, legitimacy, and urgency? *Journal of Business Ethics,* 96(S1), 65-72. doi:10.1007/s10551-011-0945-3

Neville, B. A., Bell, S. J., & Whitwell, G. J. (2011). Stakeholder salience revisited: Refining, redefining, and refueling an underdeveloped conceptual tool. *Journal of Business Ethics*, 102(3), 357–378. doi:10.1007/s10551-011-0818-9

Nye, J. S. (2008). Public diplomacy and soft power. *The Annals of the American Academy of Political and Social Science,* *616*(1), 94–109. doi:10.1177/0002716207311699

O'Riordan, T. Societal Attitudes and Energy Risk Assessment. In Goodman, G. T., Kristoferson, L. A., & Hollander, J. M. (1981). The European transition from oil: Societal impacts and constraints on energy policy. London: Academic Press., pp.155–173.

Pettman, R. (2012). Handbook On International Political Economy. Singapore: *World Scientific*. Retrieved from

http://search.ebscohost.com/login.aspx?direct=true&AuthType=cookie,ip,uid&db=nlebk&AN=457239&site=ehost-live&scope=site

Post, J. E. (2012) Business, Society, and the Environment. T*he Oxford Handbook of Business and the Natural Environment*. United Kingdom: Oxford University Press (pp. 537-555).

Post, J. E., Preston, L. E., & Sachs, S. (2002). Managing the extended enterprise: The new stakeholder view. *California Management Review*, 45(1), 6–28. doi:10.2307/41166151.

Pratson, L. F., Haerer, D., & Patiño-Echeverri, D. (2013). Fuel prices, emission standards, and generation costs for coal vs natural gas power plants. *Environmental Science and Technology*, 47(9), 4926–4933. doi:10.1021/es4001642

Putnam, R. D. (1995). Tuning in, tuning out: The strange disappearance of social capital in America. PS: Political Science and Politics, 28(4), 664–683. doi:10.1017/S1049096500058856.

Reichertz, J. (2007). Abduction: the logic of discovery of grounded theory. *The SAGE Handbook of Grounded Theory*. London: Sage, pp. 215–28

Ruostetsaari, I. (2017). Stealth democracy, elitism, and citizenship. *Finnish energy policy. Energy Research & Social Science*, 34, 93-103. doi: 10.1016/j.erss.2017.06.022

Ruggiero, S., Varho, V., & Rikkonen, P. (2015). Transition to distributed energy generation in Finland: Prospects and barriers. *Energy Policy* 86 pp. 433 – 466. doi: //doi.org/10.1016/j.enpol.2015.07.024

Saarijärvi, H., Kannan, P.K., & Kuusela, H. (2013). Value co-creation: theoretical approaches and practical implications. *European Business Review*, 25(1), 6–19, https://doi.org/10.1108/09555341311287718

Schreier, M. (2013). Qualitative Content Analysis. SAGE Publications: London. doi: 10.4135/9781446282243

Silverman, D. (2016). Qualitative Research (4e.). London, UK: SAGE Publications.

Strange, S. (1991). Big Business and the State. Millenium Journal of International Studies. 20 (2), pp. 245-250. ISSN 0305-8298

Strange, S. (1999). States and markets (2nd., repr. ed.). London: Pinte.

Strange, S., & Watson, M. (2016;). Casino capitalism (2nd. repr. ed.). Manchester: Manchester University Press.

Stubbs, W., & Cocklin, C. (2008). Conceptualizing a "Sustainability Business Model." *Sage Publications: Organization & Environment*, 21 (2). doi: 10.1177/1086026608318042

Taylor, S. J., Bogdan, R., & DeVault, M. (2015). Introduction to qualitative research methods: a guidebook and resource (Fourth;4; ed.). Hoboken, New Jersey: Wiley

Thornberg, R., & Charmaz, K. (2014). Grounded Theory and Theoretical Coding. T*he SAGE Handbook of Qualitative Data Analysis*. London: Sage, pp. 153–69

Tittenbrun, J. (2013). Social capital. trust and ideology. European Journal of Interdisciplinary Studies, 5(1), 8-25. Retrieved from http://helios.uta.fi/docview/1471951682?accountid=14242.

Wagner Mainardes, E., Alves, H. & Raposo, M. (2011). Stakeholder theory: issues to resolve, Management Decision, 49 (2), 226–252. doi: https://doi.org/10.1108/00251741111109133

Wasieleski, D. M. (2017). Stakeholder Management (Vol. First edition). Bingley: Emerald Publishing Limited. Retrieved from http://search.ebscohost.com/login.aspx?direct=true&AuthType=cookie,ip,uid&db=nlebk&AN=1444539&site=ehost-live&scope=site&authtype=sso&custid=s4778523.

Weber, M., & Parsons, T. (1947). The theory of social and economic organization. London: Hodge.

Wood, D. J. (1991). corporate social performance revisited. *Academy of Management Review*, 16(4), 691–718. doi:10.5465/AMR.1991.4279616.

Appendices

Appendix 1: Conducting In-Depth Interviews: a Guide for Designing and Conducting In-Depth Interviews for Evaluation Input. Retrieved from:
http://www2.pathfinder.org/site/DocServer/m_e_tool_series_indepth_interviews.pdf

Appendix 2: Orienting guidelines for interactive interviews.

Orienting guidelines for interactive interviews.	
1.	Treat the interview process and its informational by-products as the situated, collaborative, narrative accomplishment of interview participants, both respondents and interviewers.
2.	Take care of how the narrative is constructed in the context of the interview.
3.	Do not assume that the meanings of the interviews are self-evident. Search for nexus that connects what is being said and the context
4.	Concentrate on the meaning-making process. Do not assume that the meaning and the historical accounts will be given as already connected.
5.	Link, compare and analyze the different types of information you are receiving.
6.	Be aware that the interviewer and interviewee cooperate in the meaning-making process and the construction of narratives.
7.	Be careful not to document the interview narratives ethnographically. These can only refer to certain environments or moments.
8.	Even the slightest relationships count as a narrative. Therefore, document how these are translated into accounts, how they are arranged and how those are connected with the external environment.
9.	Observe formal institutional circumstances, such as organizational membership, for example, to identify the organizational resources and orientations that shape accounts. Listen to narrative with the attempt of showing they are characteristic of organizational orientations and locations, taking note of how formalized categories are used to certify or authorize descriptions and account within and beyond the setting.
10.	Attend carefully to ways I which interview accounts are informally embedded in organizational life, noting the institutional voices and preferences that are heard in individual narratives. If possible, compare the organizational narratives of various sites for differences and similarities in the construction of individual interview accounts.

Orienting guidelines for interactive interviews. (Silverman, 2018, p. 70).

Appendix 3: List of prospective question to be asked to the Nord Stream 2 AG staff.

In-depth interview. Interview questions.
- What is your opinion about having such a wide variety of stakeholders engaged in the Nord Stream Project 2?   - What are the opportunities or/ and challenges you see in this project?   - How would you describe the project will affect citizens' overall well-being in Kotka and Hanko?   - Tell me about the environmental impact assessment, EIA, report, how was the experience elaborating and delivering it to the other stakeholders?   - Overall, how was working with Finnish authorities at the national, regional and local level?   - What are your views about your work in Nord Stream 2 AG?   - Please, could you describe to me one of your days working with other stakeholders and other people related to the Project?   -   - Could you tell me what positive or negative impacts your work has had on your life?

Appendix 4: List of prospective question to be asked to the other stakeholders

In-depth interview. Preparing questions for the other stakeholders
- What is your opinion about setting the pipelines for the development of Nord Stream Project 2?   - What are the opportunities or/ and challenges you see in this project?   - How would you describe the project will affect citizens' overall well-being in Hanko?   - Tell me about the environmental impact assessment, EIA, report, did you receive it?   - Overall, how was communicating and cooperating with the Project company?   - What are your views about your work in relation to the pipelines Project?

> - Please, could you describe to me, if possible, one of your days meeting the staff from Nord Stream 2?
>
> - Do you consider that you have been taken into account while developing the project?

Appendix 5: Ethical Decision-Making and Internet Research: Recommendations from the AoIR Ethics Working Committee (Version 2.0). Retrieved from: http://aoir.org/reports/ethics2.pdf

Appendix 6: steps 1-6 of QCA of interviews and documents
Step 1: Selecting the research question

- *What legitimizes an actor to execute transnational energy projects that cross different jurisdictional zones?*
- *How the residents of Hanko and Kotka, Finnish government and Nord Stream 2 AG cooperated to provide with social license to operate for the project?*

Step2: select a suitable amount of material
- Overall 7 interviews, 3 reports, 4 fact sheets, and 4 press releases

Step 3: building a coding frame
Coding frame from the interviews and documentation

Accounted, achieve, activity, agreement, areas, attitudes, affected parties, agreement, alternatives, Angela Merkel, answers, approval, Asia, assessment, auditors, authorities, automobile, award, Axel Vog, Baltic connector, Baltic Sea, Baltic, Sea Countries, benefits, bridge, broad spectrum, Brussels, bypass, Caspian, change, challenges, climate, chemicals, citizens, CO2, coal, Cold War, commercial activity, commercial project, commissioning, communication, competitiveness, conflict, confusing, consultation, consumers, consistent, consumption, controversial, coordination, cooperation, Crimea, critics, cultural, declining, demand, Denmark, dependency, development, dialogue, different, diplomatic, direct effect, Dmitry Maricehnko, Dmitry Medvedev, Donal Trump, Donal Tusk, easy, education, EIA, report, ensure, environmental issues, Estonia, EU countries, ethical, explaining, economic boost, EEZ, efficient, EIA, emissions, emotions, employment energy, energy companies, energy policy, engagement, Engie, environmental, Espoo Convention, Estonia, EU, EU parliament, EU commission, Europe, EU, evidence, expensive, experience, experts, Finland, foreign Policy, fair, fast, financial support, Finnish government, foreigners, Fortum, France, freely, Greece, gas, Gazprom,

geopolitics, German, Germany, goals, Gulf of Finland, Haminakotka, Helsinki, highlevel, I fully agree, human activity, impacts, implementation, important, interactions, interest, international project, issues, imports, long-term, increases, information, infrastructure, international, jobs, Kim Cornelius, Kotka, law, legal, legislation, local economy, legitimate, leverage, LNG, local, local communities, logistics, low-carbon, Lubnim, Maritimme fauna, markets, mayor, media, ministries, monitoring, mistake, Moscow, munition clearance, Mussalo harbour, nationalist, NATO, necessary, negative, neighbouring countries, Netherlands, network, news, newspapers, neural, NGOs, noise, Nord Stream 1, Nord Stream 2, Norway, nuclear power plant, oil, OMV, openness, perspective, pipe storage, political issues, proactive, procedure, professional, projects, opinions opportunities, Paris Agreement, people, permitting, personal gain, pipeline, pipes, Poland, political, political solidarity, Port of Kotka, ports, positive, power, public, public hearings, reduce, regulation, relationship, reputation, requirement, research, responsibility, risks, regional, regulator, reliable, renewable, reporting, revenue, Richard Grene, rock placement, rules, Russia, Russian, safety, services, solutions, stable, stage, subcontractors, Switzerland, sanctions, schedule, scientific, seabed, security, shareholders, Shell, shipment, social impact, speculation, stakeholders, statements, supply, support, Sweden, telecommunications, EIA, training, trust, Tim Boers, time, traffic, transboundary, trust, Turk Stream, UK, Ukraine, understanding, unemployment, Uniper, US, vessels, Wasco ,Water Act, Wintershall.

Step 4: Segmentation

Mixed segmentation (interviews + documents).

Units
<u>Tangible concepts</u> Pipeline, environmental issues, environment, risks, CO_2, answers, coal, oil, environmental impact, challenges. Activity, Baltic Sea, chemicals, climate, environmental, newspapers, pipes, storages, research, risks, reduce, alternatives, assessment, award, Baltic connector, infrastructure, LNG, logistics, low-carbon, munition clearance, nuclear power plant, Paris Agreement, pipelines, rock placement, seabed, shipment, telecommunications, vessels, bridge, commissioning, emissions, energy, experts, maritime fauna, scientific.
<u>Market forces-authority</u> Consumers, ensure, supply, gas market, solutions, stable, consistent, competitors, authority, agreements, auditors, commercial project, company, competitors, cooperation, EIA report, financial support, Finnish government, implementation, interaction, law, legal, legislation, neutral, professional, projects, regulation, requirement, subcontractors, workers. Procedure, proactive,

responsibility, trust, services, dialogue, necessary, relationship, agreement, approval, competitiveness, consumers, commercial activity, consumption, declining, energy companies, Engie, EEZ, Fortum, imports, expensive, long-term, increases, monitoring, OMV, reporting, revenue, shareholders, traffic, Turk Stream, Uniper, Wasco, Wintershall, Gazprom, efficient, rules.
<u>Regional sphere</u>
City of Kotka, City of Hanko, position, ports, stakeholders, engagement, regulatory, regulator, positive, dialogue, communication, proactive, transparency, ethical, fair, consultation, explaining, advance stages, improvement, development, achieve, areas, change, consistent, easy, Helsinki, Port of Haminakotka, perspective, development, unemployment, employment, stable, affected parties, coordination, economic boost, Gulf of Finland, neighbouring countries, Lubnim, Mayor, regional, support, opportunities, Axel Vog, economic boost, Mussalo harbour, Koverhar.
<u>International sphere</u>
Political issue, broad spectrum, United States, Russia, EU countries, other countries, the Project, Nord Stream 1, Nord Stream 2, political atmosphere, attitudes, regions, Baltic Sea countries, difference, diplomatic, EU countries, Greece, high level, political context, international project, issues, political issues, Sweden, Switzerland, emotion, Angela Merkel, Asia, bypass, Caspian, Cold War, Crimea, Dmitry Marichenko, Dmitry Medvedev, Donald Trump, Donald Tusk, energy policy, foreign policy, ministries, Espoo Convention, EU Commission, Europe, EU, Finland, France, EU parliament, Kim Cornelius, media, nationalist, NATO, Norway, opinions, political solidarity, power, Richard Grene, Russia, speculation, statements, Sweden, negative, UK, Ukraine, Poland, Denmark, controversial, critics, dependency, geopolitics, Netherlands, sanctions, Moscow.
<u>Stakeholders</u>
Experiences, local, people, citizens, opportunities, employment, similarity, unemployment, critical, information, positive side, evidence, understanding, public, people know, awareness, direct effect, accounted, solutions, education, training, openness, transparency, safety, personal gain, ethical, explaining, communication, consultation, cultural, consultation, experience, legitimate, local, local communities, NGOs, positive, public, public hearings, social impact.

Subcategories (based on ES' methodology)
Environmentalism
Security
Power and ethics
International society

Socio-political impact

Step 5: trial coding

Units	Subcategories
Pipeline, environmental issues, environment, risks, CO2, answers, coal, oil, environmental impact, challenges. Pipeline, pipes, environmental issues, risks, chemicals, impact, climate, environment, pipes, reduce, low-carbon, LNG, munition clearance, seabed, maritime fauna, bridge, renewable energy, emissions, Turk Stream, rock placement, gas, EIA, Espoo Convention	Environmentalism
Consumers, ensure, supply, gas market, solutions, stable, consistent, competitors, authority, answers, storages, infrastructure, nuclear power plant, logistics, shipment, energy, commissioning, solutions, stable, consistent, cooperation, professional subcontractors, services, competitiveness long-term, imports, traffic, efficient, improvement, Mussalo, Haminakotka, ports, Lubnim, Koverhar, regional, bypass, Caspian, Crimean, Cold War, energy policy, Europe, Ukraine, Political solidarity, dependency	Security
City of Kotka, City of Hanko, Finnish government, position, stakeholders, engagement, regulatory, regulator, positive, dialogue, communication, openness, transparency, ethical, fair, consultation, legal, market, law, financial support, Finnish government, legislation, responsibility requirement, procedure, trust, approval, commercial activity, energy companies, Engie, Fortum, EEZ, monitoring, shareholders, Uniper, Wasco, Wintershall, Gazprom, rules, Kotka, Hanko, ethical, fair. Angela Merkel, Dmitry Medvedev, Dmitry Marischenko, Donald Trump, Donald Tusk, foreign policy, ministries, EU commission, EU parliament, nationalist, ethical, NATO, power,	Power and ethics

Units	Subcategories	Main category
Richard Grene, Russia, USA, Russia, Germany, geopolitics, sanctions, transparency.		
Political issue, broad spectrum, , Russia, EU countries, other countries, the Project, Nord Stream 1, Nord Stream 2, political atmosphere, attitudes, regions, Baltic Sea countries, challenges, Paris Agreement, dialogue, dialogue, agreement, declining, position, neighbouring countries, coordination, political, political issue, broad spectrum, Nord Stream 1, Nord Stream 2, political atmosphere, attitudes, difference, diplomatic, EU countries, Greece, high level, Sweden, Switzerland, emotion, Asia, Norway, EU, Finland, negative, Media, Poland, opinions, Denmark, speculation, statements, controversial, statements, Netherlands, critics.	International society	
Experiences, local level, people, citizens, opportunities, employment, unemployment, critical, information, positive side, evidence, understanding, public, people know, awareness, direct effect, scientific, experts, implementation, workers, necessary, relationship, consumers, consumption, expensive, increases, revenue, relationship, engagement, consultation, explaining, development, perspective, economic boost, Mayor, Gulf of Finland, support, opportunities, Axel Vog, regions, Kim Cornelius, experience, similarity, information, critical positive side, understanding, public hearing, personal gain, communication, training, openness, cultural, legitimate, awareness, direct effect, accounted, local communities, NGOs, positive, social impact, I fully agree.	Socio-political impact	

Step 6: Evaluation and modification of the data

- The units and subcategories were evaluated and modified. The result was as follow:

Units	Subcategories	Main category

Pipeline, environmental issues, environment, risks, CO2, answers, coal, oil, environmental impact, challenges, pipeline, pipes, environmental issues, risks, chemicals, impact, climate, environment, pipes, reduce, low-carbon, LNG, munition clearance, seabed, **maritime fauna**, bridge, renewable energy, emissions, rock placement, gas, EIA, Espoo Convention.	Environmentalism	
Consumers, ensure, supply, gas market, solutions, stable, consistent, competitors, authority, answers, storages, infrastructure, nuclear power plant, logistics, shipment, energy, commissioning, solutions, stable, consistent, cooperation, professional subcontractors, services, competitiveness long-term, imports, traffic, efficient, improvement, regional, bypass, Caspian, Crimean, Cold War, energy policy, Europe, Ukraine, Political solidarity, dependency, **reliable**.	Security	Stakeholder interactions and cooperation
City of Kotka, City of Hanko, Finnish government, position**, Mussalo, Haminakotka, ports, Lubnim, Koverhar** stakeholders, engagement, regulatory, regulator, positive, dialogue, communication, openness, transparency, ethical, fair, consultation, legal, market, law, financial support, Finnish government, legislation, responsibility requirement, procedure, trust, approval, commercial activity, energy companies, Engie, Fortum, EEZ, monitoring, shareholders, Uniper, Wasco, Wintershall, Gazprom, rules, Kotka, Hanko, ethical, fair. Angela Merkel, Dmitry Medvedev, Dmitry Marischenko, Donald Trump,	Power and ethics	

Donald Tusk, foreign policy, ministries, EU commission, EU parliament, nationalist, ethical, NATO, power, Richard Grene, Russia, USA, Russia, Germany, geopolitics, sanctions, transparency.		
Political issue, broad spectrum, , **Moscow**, EU countries, other countries, the Project, Nord Stream 1, Nord Stream 2, **Turk Stream,** political atmosphere, attitudes, regions, Baltic Sea countries, challenges, Paris Agreement, dialogue, dialogue, agreement, declining, position, neighbouring countries, coordination, political, political issue, broad spectrum, Nord Stream 1, Nord Stream 2, political atmosphere, attitudes, difference, diplomatic, EU countries, Greece, high level, Sweden, Switzerland, emotion, Asia, Norway, EU, Finland, negative, Media, Poland, opinions, Denmark, speculation, statements, controversial, statements, Netherlands, critics.	International society	
Experiences, local level, people, citizens, opportunities, employment, unemployment, critical, information, positive side, evidence, understanding, public, people know, awareness, direct effect, scientific, experts, implementation, workers, necessary, relationship, consumers, consumption, expensive, increases, revenue, relationship, stakeholders, engagement, consultation, explaining, development, perspective, economic boost, Mayor, Gulf of Finland, support, opportunities, Axel Vog, regions, Kim Cornelius, experience, similarity, information, critical positive side, understanding, public hearing, personal gain, communication,	Socio-political impact	

Units	Subcategories	Main category
training, openness, cultural, legitimate, awareness, direct effect, accounted, local communities, NGOs, positive, social impact, **background, I fully agree.**		

Step 7: main analysis

Units	Subcategories	Main category
Pipeline, environmental issues, environment, risks, CO2, answers, coal, oil, environmental impact, challenges, pipes, environmental issues, risks, chemicals, impact, climate, environment, pipes, reduce, low-carbon, LNG, munition clearance, seabed, maritime fauna, bridge, renewable energy, emissions, rock placement, gas, EIA, Espoo Convention.	Environmentalism	
Consumers, ensure, supply, gas market, solutions, stable, consistent, competitors, authority, answers, storages, infrastructure, nuclear power plant, logistics, shipment, energy, commissioning, solutions, stable, consistent, cooperation, professional subcontractors, services, competitiveness long-term, imports, traffic, efficient, improvement, regional, bypass, Caspian, Crimean, Cold War, energy policy, Europe, Ukraine, Political solidarity, dependency, reliable.	Security	Stakeholder interactions and cooperation
City of Kotka, City of Hanko, Finnish government, position, Mussalo, Haminakotka, ports, Lubnim, Koverhar, stakeholders, engagement, regulatory, regulator, positive, dialogue, communication, openness, transparency, ethical, fair, consultation, legal, market, law, financial support, Finnish	Power and ethics	

government, legislation, responsibility requirement, procedure, trust, approval, commercial activity, energy companies, Engie, Fortum, EEZ, monitoring, shareholders, Uniper, Wasco, Wintershall, Gazprom, rules, Kotka, Hanko, ethical, fair. Angela Merkel, Dmitry Medvedev, Dmitry Marischenko, Donald Trump, Donald Tusk, foreign policy, ministries, EU commission, EU parliament, nationalist, ethical, NATO, power, Richard Grene, Russia, USA, Russia, Germany, geopolitics, sanctions, transparency.		
Political issue, broad spectrum, , Moscow, EU countries, other countries, the Project, Nord Stream 1, Nord Stream 2, Turk Stream, political atmosphere, attitudes, regions, Baltic Sea countries, challenges, Paris Agreement, dialogue, dialogue, agreement, declining, position, neighbouring countries, coordination, political, political issue, broad spectrum, Nord Stream 1, Nord Stream 2, political atmosphere, attitudes, difference, diplomatic, EU countries, Greece, high level, Sweden, Switzerland, emotion, Asia, Norway, EU, Finland, negative, Media, Poland, opinions, Denmark, speculation, statements, controversial, statements, Netherlands, critics.	International society	
Experiences, local level, people, citizens, opportunities, employment, unemployment, critical, information, positive side, evidence, understanding, public, people know, awareness, direct effect, scientific, experts, implementation, workers, necessary, relationship, consumers, consumption, expensive, increases, revenue,	Socio-political impact	

relationship, stakeholders, engagement, consultation, explaining, development, perspective, economic boost, Mayor, Gulf of Finland, support, opportunities, Axel Vog, regions, Kim Cornelius, experience, similarity, information, critical, positive side, understanding, public hearing, personal gain, communication, training, openness, cultural, legitimate, awareness, direct effect, accounted, local communities, NGOs, positive, social impact, background, I fully agree.		