

Prosperity and Sustainability

– Local Cooperation in
the Baltic Sea Region



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Introduction

The conference '*Prosperity and sustainability – local cooperation in the Baltic Sea region*' was arranged by the Swedish Government on the 16–18th of August 2006 in Visby. The Swedish Prime Minister invited leaders of local and regional institutions in Denmark, Estonia, Finland, Germany, Latvia, Lithuania, Poland, Russia, Sweden, Iceland, Norway, Ukraine and Belarus to participate in the event. The civil society, business communities and strategic partners at national, international and European levels were also represented among the participants.

The summary of the conference contains the speeches of leaders and key persons in the region as well as opinions from the audience. The speeches focused on three thematic areas, described in compiled form on the following pages. The first theme concerns the strengthening of cooperation among local, national and European actors in the Baltic Sea region, focusing on the importance of different modes and levels of cooperation. The second theme concerns the provision of a secure and sustainable livelihood in the Baltic Sea region, concentrating on the environment, energy and trafficking of human beings. The third theme of the conference relates to trade and investment promotion in the Baltic Sea region.

During the conference a number of concrete challenges of specific relevance for future Baltic Sea cooperation in the above-mentioned themes were brought up and discussed. These challenges were described as 'batons', which were passed on to the participants in order to work with an even stronger joint effort across the whole Baltic Sea region. The batons can be found in the conclusion of this summary, and will be developed and followed up by a number of actors, including the Swedish Government. The Swedish Government gave the task to Sida's Baltic Sea Unit in Visby to further manage a website – www.balticgrowing.se – as an information bank and clearing-house for registering and sharing the experiences of cooperation in the Baltic Sea region.

Theme 1: Strengthening Cooperation between Local, National and European Actors in the Baltic Sea Region

Speeches by:

Ms Marie-Louise Rönmark – Mayor of the City of Umeå, Sweden,
and Vice President of the Union of Baltic Cities, UBC

Dr Harald Ringstorff – Prime Minister, Mecklenburg-
Vorpommern, Federal Republic of Germany

Mr Maris Kucinskis – Minister for Regional Development, Latvia

Mr Mats Hellström – Governor of the County of Stockholm

Mr Per Unckel – Secretary General of the Nordic Council
of Ministers

Ms Silja Huieronnen – Director General, Ministry of the
Interior, Helsinki, Finland

Ms Silvia Gurova – Head of International Department of the
Kaliningrad Regional Government

Mr Göran Persson – Prime Minister of Sweden, President of the
Council of the Baltic Sea States

Mr Gediminas Kirkilas – Prime Minister of Lithuania

Mr Matti Vanhanen – Prime Minister of Finland, Presidency of
the European Union

Ms Danuta Hübner – Commissioner for Regional Policy,
European Commission

How do we put the Baltic Sea region on the map – the mental map? This question was the focus when Ms Marie-Louise Rönmark spoke on the subject of cooperation between different societal levels in the Baltic Sea region. She underlined the need for a joint strategy for development, and that the development of a Baltic Sea mental map is important in this aspect. Further, there is a need to consider the roles of cities in development. Cities are not least important for legitimacy – they are good organisers and an appropriate tool for regional development, Ms Rönmark further remarked. The future map needs to show opportunities that are available in the cooperation field.

Mr Harald Ringstorff extended the topic by pointing to the long tradition of Baltic Sea cooperation and living peacefully

together in the region. He did, however, point out that there is a need to foster peaceful togetherness, otherwise there will be an overriding of the cooperation goal. In this assignment everyone can do something: cities, regions, nations, corporations and people. People-to-people projects will be important in this connection. Mr Ringstorff also remarked on the need to overcome borders, i.e. de facto dividing lines. A good example is the long tradition in the Polish regions of successful cooperation with Russia. Furthermore, different societal levels need to cooperate with each other and regions have to define the goals in this process.

Mr Ringstorff placed a certain emphasis on four economic areas for cooperation: biotechnology – where he considered the creation of a Baltic Sea technology sector to be a branding task, the health industry, life-science technology and tourism. There is a need to define research priorities and also to consider common marketing, Mr Ringstorff further argued. He concluded by saying that cooperation at all levels catches possibilities for future development.

Mr Maris Kucinskis pointed to the gap between national and local levels in the Baltic Sea cooperation. It is necessary to be aware of the challenges, although a lot has been done to change the situation, he said. The national development plan until 2014 puts much emphasis on polycentric development. Until now there has been a lack of capacity concerning this aspect, since regions have only recently gained legal status. A good idea would be to place regional representatives at a national level, to be elected to the ministries, Mr Kucinskis said. He closed his speech by saying that direct involvement of the regional level is essential in the future development of the region.

Mr Mats Hellström continued the subject by pointing out that successful cooperation in the Baltic Sea region needs both the national and the regional level. The national level does not have all the knowledge needed, he commented, and mentioned also that the regional level needs legitimacy for cooperation that only states can give. There are also certain synergies and best-practice solutions to be gained through cooperation with the national level, Mr Hellström concluded.

Mr Per Unckel posed the question of how the Nordic Council of Ministers can contribute to benefit all regions in the Baltic Sea area: to safeguard democracy, the rule of law, sustainable development and to promote democracy in Belarus. In practical terms, what can we do? The answer, he pointed out, was to focus on northwestern Russia through the Northern Dimension framework in particular. Certain focus areas for attention shall be small and medium-sized industry, the civil society in the region, and to plan a mobility programme, he said.

He concluded that the Baltic Euroregional Network, together with CBSS, has an important task here.

Ms Silvia Gurova spoke about Kaliningrad and the cooperation in the Baltic Sea region. Ms Gurova defined Kaliningrad region as 'a Russian bird in the European nest' and described the EU-Russia strategy from 1999, which stated that Kaliningrad would function as a pilot region for bilateral cooperation. At the moment Kaliningrad region has 21 partner regions in the Baltic Sea area and according to Ms Gurova the region is a partner with huge potential, since it could be seen as the key to the whole Russian market.

Mrs Silja Hiironiemi discussed networking as an instrument for cooperation. There are definitely common characteristics to use in this work and we are truly depending on each other's resources, she stressed. In the future it will be important to link cooperation more closely to national innovation policy. The challenges will, for example, constitute forming a common vision and strategy for effectiveness, she said

Mr Göran Persson opened his speech by mentioning the Visby meeting in 1996 as an important starting point for the Baltic Sea cooperation. Though the cooperation is truly dynamic, much more can be done, Mr Persson argued. National and international organizations are certainly important for Baltic Sea cooperation, but contributions from the local and regional levels are just as important – not least because these levels are close to the people, from whom politicians have a direct mandate. They are also to be considered experts on local area conditions, he said. Since the 1st of July, Sweden holds the presidency of CBSS. During the period, the focus for cooperation activities will be on energy, environment, civil security and trade and investment. By focusing on trade and growth, the aim is to make it easier for SMEs to take steps into other countries. With regard to trafficking, the Baltic Sea cooperation shall lead development towards zero tolerance in the area. Regarding environmental issues, more joint efforts will be made to decrease pollution. One strategic goal will be to phase out the dependence on oil, not least in the transport sector. A national centre for wind power will be situated on Gotland, and will build on knowledge from the university sector. If plans for an oil pipeline between Germany and Russia in the Baltic Sea continue, Mr Persson asserted that he will start a dialogue with the involved partners. Finally, when it comes to young people, there will be a Youth Parliament for the Baltic Sea next year. The aim of the parliament will be to initiate a youth perspective on regional challenges to be discussed with politicians, Mr Persson concluded.

Mr Gediminas Kirkilas opened his speech by saying that the spirit of cooperation is typical for the Baltic Sea region. There



are interests in the region that unify the actors – for example, to seek common solutions to future energy challenges. It is also important to strengthen urban capabilities, and small-scale projects can be valuable in this connection. Further, he mentioned the importance of paying closer attention to Belarus. He pointed to the fact that Lithuania sees many opportunities to involve Belarusians in topics for creating a more democratic platform in the future.



Mr Matti Vanhanen emphasised the importance of encouraging NGOs in the cooperation, and to create effective civil society networks. It is necessary to steer the EU closer to people's expectations, he argued. Mr Vanhanen further stressed the importance of the Northern Dimension and the benefits and advantages of involving Russia more in the Baltic Sea region. By achieving that, the region will be able to increase trade and investments and to discuss energy options for the future. The EU-Russia dialogue needs to be strengthened, he concluded.

Ms Danutna Hübner described the Baltic Sea region as a success story in her speech. It is now to be considered as one of the most dynamic regions in Europe, she said. The stability rate and cooperation across borders is increasing; for successful collaboration in other regions, it is useful to look at the Baltic Sea as an example. Ms Hübner mentioned two projects as especially successful: eco-Forum Baltica, which promotes knowledge of environmental management, and Baltic Gateway in the maritime-related inter-modal transport field. The new generation of regional policy will mean a wider geographical scope, new instruments and a new eligible area. A total of 17 of 21 Swedish regions will now be available for cooperation. Concerning the transnational programme, Ms Hübner hopes for it to be continued in the years to come. In the new generation of policies, strong emphasis will be on innovation, accessibility, environment and sustainability. She encouraged the actors to be innovative in approach and to build vital partnerships.



Questions from the audience included one from Carl B. Hamilton, mentioning the pipeline from Germany to Russia. He asked the Swedish Prime Minister, Göran Persson, what the position of governments is concerning this issue. Mr Persson replied that the Swedish government is concerned about the problem. There is a need to stick to international law concerning the issue. There is also an environmental assessment among prime ministers within the EU. Mr Kirikilas, Prime Minister of Lithuania, remarked that he is concerned about the environmental issues, and that the EU needs a common approach in this topic. Mr Vanhanen, Prime minister of Finland, expressed his

concern about the Baltic Sea environment as well. He argued, however, that while more new energy solutions are needed, there is a need to ensure that they are harmless to nature.

Voices from the conference

The Peipsi Center for Transboundary Cooperation

Ms Gulnara Roll is the founder of the Peipsi Center for Transboundary Cooperation, an international non-profit institute that works to promote balanced development of border areas, especially in the Lake Peipsi/Chudskoe region. Ms Roll was also the director of the initial 'Lake Peipsi Project', which was launched in 1993 as an informal organisation with a primary focus on environmental research along the border between Estonia and Russia. The project was originally oriented towards practical issues and small-scale technical projects. Eventually, it developed into a broadly focused NGO with different programmes targeting the whole Lake Peipsi watershed area. The focus was broadened into social action projects with study tours, conferences, training sessions and youth camps, to mention a few. The objective was to assist people at the local level in developing skills related to public participation, in order to help them address local issues as part of the democratic process. In 1998, the Peipsi Center for Transboundary Cooperation was established as an umbrella organisation to promote projects that involve specific cross-border activities, and since 2001 the Center has acted as a support organisation for community foundations. In cooperation with European universities, the Peipsi Center also carries out research on living conditions in the border regions.

Ms Roll underlined the advantage of thinking in terms of concrete, small-scale projects at the outset of cooperation. She also referred to research that shows that local players often feel alienated from cross-border projects, and points out the risk of small entrepreneurs and organisations being left out because of red tape and complicated routines. To make cross-border cooperation more successful, she called for a diversity of instruments to support local initiatives, especially towards small organisations in Russia. She stressed the importance of exchange activities where students, NGO representatives and other important actors visit each other's regions and countries to share experiences. Another crucial factor mentioned by Ms Roll was to harmonise legislation for better cooperation. In cases where this is not possible, it is important to increase the knowledge regarding the differences of the legislative framework of each country for the cooperation to be successful. For more information visit www.ctc.ee or www.peipsi.org.

Experiences from Three Different Border Regions

Speeches by:

Ms Gulnara Roll – Chairperson, Peipsi Center for Transboundary Cooperation, Tartu, Estonia

Mr Per Simonsson – Project Manager, the Öresund Committee, Copenhagen, Denmark

Mr Sven-Erik Bucht – Mayor of the City of Haparanda, Sweden

Ms Gulnara Roll focused her lecture on the experiences of a non-profit organisation. She particularly emphasised the promotion of cross-border cooperation, and mentioned that cooperation between Estonia and Russia has become more institutionalised through EU support. She underlined the importance of finding equal partners on the Russian side. A complicating fact is the different legislation on either side of the border. Coordination of the legal frameworks is therefore needed, since it is difficult to work efficiently enough under present circumstances. More information about the project can be found in the box above.

Mr Per Simonsson then held a brief presentation on the Öresund region mentioning Triple Helix (ie extensive cooperation among the universities and the private and public sectors), high accessibility and a dynamic labour market as factors for success. The vision for the common effort has been to establish 'the most functionally integrated border region in Europe', while the strategy is intended 'to connect the region and to promote daily integration'.

Mr Sven-Erik Bucht talked of the border area in Haparanda – Torneå as 'the world's most peaceful border'. The east and the west side have had daily influences on each other for seventeen years. Special areas for cooperation are, for example, common compulsory schools for children, a connected district heating system and a shared rescue service. The cooperation has not least resulted in attracting businesses and economic development.

Opinions from the audience included Mr Ulf Johansson from the Organisation for Municipalities and County Councils

in Sweden. He mentioned that, from a Swedish perspective, about 1200 twinning relationships in the Baltic Sea region exist, which form a soft infrastructure. Mr Johansson emphasised the bottom-up perspective as it contributes with a needs-oriented approach. Small projects are equally important to large ones, and there is a need for increased vertical dialogue, he concluded. Mr Ole Friis, Baltic Development Forum, mentioned the importance of creating a clear identity, vision and brand in the Baltic Sea region. A joint strategy for how to develop the region is needed, he concluded. Mr Per Simonsson finalised the discussion by stating that there is a need for national competence in local and regional cooperation.

Theme 2: Providing a Secure and Sustainable Livelihood in the Baltic Sea Region – Environment and Energy

Speeches by:

Mr Åsmund Kristoffersen – MP, Norwegian Parliament and
Chairman of the Working Group on Eutrophication of
the Baltic Sea Parliamentary Committee

Ms Ann-Britt Andersson – Chair of the Board on Environmental
Issues of the Municipality of Landskrona, Sweden

Mr Jan Lundgren – County Mayor, City of Visby, County of
Gotland

Mr Feliksas Žinevicius – Director of Kaunas Regional Energy
Agency

A great deal needs to be done concerning environmental issues and it needs to be done immediately, was the general message of the speakers on the theme of environment and energy. This urgent request especially concerned the eutrophication of the Baltic Sea. Mr Jan Lundgren drew attention to the worrying fact that the state of the Baltic Sea has not improved over the last ten to fifteen years. Mr Lundgren requested new initiatives and challenged other communities around the Baltic Sea to follow Gotland and become so-called eco-municipalities. Some of the objectives for Gotland as an eco-municipality are to take actions in the areas of renewable energy, wastewater management and reduced emissions from transport. Mr Lundgren, however, stressed that although a lot of work can be initiated and implemented at the local and regional level, the cooperation and support from the international level is crucial in order to reverse the negative trend of the development of the Baltic Sea. He requested the same pace and commitment from all the surrounding countries in the work of securing a sustainable and healthy Baltic Sea region.

Mr Åsmund Kristoffersen reported from a working group in the Baltic Sea Parliamentary Committee which aims to identify successful efforts to reduce eutrophication of the Baltic Sea, and also to raise political awareness of the problem. The eutrophica-

tion is caused by an enrichment of the Baltic Sea ecosystem with chemical nutrients. Agriculture was cited as the major threat, followed by wastewater and airborne nutrients. Mr Kristoffersen emphasised the overall responsibility of actors like the EU, but also pointed out the importance of implementing and taking direct action at the local and regional level. He encouraged the audience to learn from the work of others within the same field. The Working Group on Eutrophication will draft a resolution to be adopted by the Baltic Sea Parliamentary Conference in Berlin on 27–28th of August 2007.

Ms Ann-Britt Andersson gave concrete examples of how to limit the eutrophication at the local level by an environmental policy with progressive goals. More information about the work of the Board on Environmental Issues of the Municipality of Landskrona, Sweden can be found in the box below.

Renewable energy was also brought up as one important factor for a future sustainable society. Mr Feliksas Zinevicius focused on the field of rational energy use by giving a presentation of the Kaunas Regional Energy Agency and sharing examples of concrete measures to be taken at the local level in order to promote a more rational use of energy. The agency assists in implementing directives from the EU, promotes and develops rational use of energy and the use of renewable energy sources as well as disseminating know-how through seminars, workshops and publications. Mr Zinevicius also showed the plan of rational energy use in Kaunas, with the development of the traffic system in the city as one concrete example of how to save energy.

The comments from the audience reflected the general request from the speakers to intensify the work regarding environmental and energy issues in the Baltic Sea area. Ms Barbro Sundback, Chairman of Mariehamn City Board, Åland, gave two examples of how to include a sustainable perspective into everyday work at the local level; to promote public transport alternatives the local buses in Mariehamn are free of charge, and at least 50% of the food products used in the dining halls of the municipality are produced locally and ecologically. Torsten Geissler, Deputy Mayor of Lübeck, brought up the issue of global warming. Mr Geissler wanted to attract the attention of the EU to the fact that climate change has a northern impact and will most probably affect the quality of the water in the Baltic Sea.



Voices from the conference

Environmental Initiatives in Landskrona Municipality, Sweden

Ms Ann-Britt Andersson, chair of the board on environmental issues in Landskrona Municipality, told that the municipality has started an initiative where all public facilities such as nurseries, schools, etc. do not use detergents containing phosphates. The work started in 1999 by applying an environmental policy based on Agenda 21. However, the municipality has held strong opinions on local environmental issues since the 1980s. The initial aim was to develop ongoing, quality work on environmental objectives. The wastewater treatment plants are now working more efficiently by not having to separate the phosphates at the same level as before. The citizens of Landskrona have started to think much more about environmental effects, and have a good awareness concerning the use of environmentally friendly detergents.

By thinking in a more environmentally oriented way during everyday living, the work has many positive effects. Several temporary roles, such as environmental advisers, have spread information about the work and its effects. By creating jobs, companies see more opportunities in thinking environmentally. The concept, 'end of pipe solutions', where companies can use their different kind of waste in recycling, has created jobs and new knowledge.

Today the surrounding municipalities, together with Landskrona, share a local cooperation and they are spreading their knowledge and experiences about their work together. The municipality of Landskrona has further become a role model for other municipalities through their initiative.

As a result of working in an environmental spirit the municipality of Landskrona has initiated a project with gas-powered buses and trolley buses. When launching the initiative the citizens were a bit sceptical. However, the initiative is now welcomed due to the reduction of noise and pollution.

Voices from the conference

Experiences from cooperation in the Municipality of Östersund

With an observing role at the conference, Mayor Jens Nilsson represented a municipality situated in a county in the middle of Sweden, bordering Norway. He gave his thoughts on how the positive diffusion effects from the Baltic Sea region are to be spread to the rest of the country.

Environmental action becomes more and more important on the energy agenda, he said. The county of Jämtland, where the municipality of Östersund is situated, is a county with a lot of forest for the mass industry. Today the municipality of Östersund works a lot with bio-fuel and bio-energy. The municipality of Östersund and the county of Jämtland have a great interest in learning from other municipalities, the municipality of Landskrona being one example.

By establishing contacts and visiting other municipalities, both in Sweden and in the Baltic Sea region, the municipality of Östersund has benefited from many successful local cooperation arrangements. The mayor emphasised that the municipality of Östersund has been able to initiate different kinds of cross-border cooperation between local actors, especially in the environmental field, with a successful result.

The county of Jämtland and other western regions in Sweden can benefit from a strong Baltic Sea region playing a crucial role for shipping, cooperation and economic growth, he mentioned further. The east-west transport corridor has a great development opportunity when using the northern part of the Baltic Sea region. The mayor is convinced that shipping cargo from Finland to Sweden and using Swedish roads for further transport to Norwegian ports is a positive national initiative, benefiting the whole Baltic Sea region. Through Russia-Finland-Sweden-Norway, the east-west cargo link can grow much stronger and may lighten the intense sea transport in Öresund.



Panel Debate Concerning the Combating of Trafficking

Panel participants:

Ms Afsona Kadyrova – Angel Coalition, Moscow

Ms Anita Gradin – Ambassador, Former Member of the European Commission and Cabinet Minister of Sweden

Mr Anders Oljelund – Swedish Ambassador for International Cooperation against Trafficking in Human Beings

Mr Lennart Koskinen, Bishop – the Socioethic Institute and Theobalt Foundation

The panel debated on how trafficking might be ended and the fact that joint cooperation initiatives at all levels are necessary, focusing on decreasing the demand for trafficking. The debate also focused on how to reduce the inequality between men and women at all levels of society.

Ms Afsona Kadyrova initiated the discussion by addressing the fact that trafficking is an international crime against human rights, which could be considered as the slavery of our time. The Angel Coalition is an umbrella organisation involving approximately fifty NGOs. With extensive knowledge and the ability to find solutions for victims of trafficking, they are also working to prevent it. Ms Kadyrova gave examples of trafficking victims and illustrated several true stories of how women and children are bought and sold in Europe. A dark picture was painted of how this modern form of slavery, as she called it, was spreading all over the world, resulting in tragedy for many individuals.

Ms Anita Gradin argued that the exploitation of women and children must be given a higher priority on the international political agenda. She stressed the importance of legal support and legal engagement in these issues. Today, the UN/Palermo Protocol promotes cooperation among states through educational, social, cultural and legislative measures. The Council of Europe convention on action against trafficking in human beings, as well as directives from the EU, also have the power to create a legislative shelter, she argued.

Ms Gradin pointed out that victims of trafficking must be seen as the victims they are, and not as criminals. Civil servants such as the police and immigration officers must receive better education in how to treat victims of trafficking. She also stressed the importance of NGOs in this connection. Ms Gradin argued that trafficking is the result of gender inequality between men and women. To decrease the demand, equality needs to be achieved at all levels of society, including the political sphere and the business sector.

Mr Anders Oljelund started his speech by pointing out that trafficking is a shame on our civilisation and that actors from all over the society must work together to fight it. For Sweden, fighting trafficking has been a priority for years and the Ministry of Foreign Affairs deals with it in almost all departments. Mr Oljelund described trafficking as being a matter of civil security, as well as a gender issue and also a matter of human dignity, and stressed the need for spreading more information. More hard politics are important in this field and in abandoning trade in human beings, for activities such as prostitution and the recruitment of children to armies, society may be able to create a more secure livelihood for its citizens. Trafficking can be dealt with by working regionally, Mr Oljelund remarked, and welcomed that CBSS will continue the work that the Nordic Baltic Action Group initiated on working with the protection of the victims of trafficking. However, this is only one instrument, and there is a need for more determination and conviction to deliver good results, he concluded.

Mr Lennart Koskinen spoke about using the church as an NGO and taking advantage of its ability to help human beings. Mr Koskinen described the church as an excellent actor when dealing with trafficking issues. He also mentioned the importance of supporting victims when they return to their home countries, to help them back on track. By addressing the ability of the church to meet the abusers as well as the abused, and also to put pressure on the abusers, he expressed hope concerning a decrease in the demand side of trafficking. The network of churches in the Baltic Sea region can play a crucial role in the struggle for combating trafficking and the exploitation of women and children, he concluded.



Voices from the conference

The Marta Centre for Women in Latvia

Ms Iluta Lace, Chairperson of the Marta Center for women in Latvia, stated that the national as well as regional and local levels need to deal with basic security for all citizens. Ms Lace welcomes more legal aspects to be added to the political agenda to create harder and identical punishments in all countries. The Baltic Sea region needs efforts from the EU to establish a European network to fight this kind of criminal activity, and to work with experiences and draw the public's attention to this severe crime.

There is a societal need for many institutions like the police, the local municipalities and NGOs to work together. They all have different skills, experiences and play different roles within society. Today society does not use this multi-functional knowledge in one great force to combat trafficking. In the case of Latvia there is an obvious gap between the local and regional work, Ms Lace continued. Indeed this is its Achilles' heel. People exposed to trafficking must be seen as non-criminals and treated as victims in need of help. Ms Lace stressed the importance of finding and identifying the abuser behind the abused and work more with prevention methods.

As long as there is inequality between men and women in society, trafficking will be hard to prevent, she said further. Society needs to build up a more severe agenda and also make prostitution illegal, which would hopefully decrease demand. One step taken in Latvia is the ban on sexual advertising at Riga International Airport.

Theme 3: Promoting Trade and Investment in the Baltic Sea Region

Speeches by:

Mr Pontus Lindberg – Vice President of Stockholm Chamber of Commerce, CBSS Business Advisory Council

Mr Lennart Koskinen, Bishop – The Socioethic Institute and Theobalt Foundation

Mr Hans Jeppson – Vice President & CEO Association of Swedish Chambers of Commerce and Industry

Panel participants:

Mr Zygmunt Meyer – Governor, Western Pommerania, Poland

Ms Carolina Brånby – Confederation of Swedish Enterprise

Mr Ola Asplund – The Swedish Trade Union Confederation

Mr Roberts Dlohi – Owner and President of Zinasanu Parnese un Marketings SIA, Latvia

Ms Elena Kalinina – Rector, St. Petersburg Social & Economic Institute

Moderator: *Ms Britt-Marie Mattsson*

Mr Pontus Lindberg presented the aim of Stockholm Chamber of Commerce, which primarily is to lobby, to network and to assist with products and services. The vision is to increase trade in the Baltic Sea region. This is primarily to be achieved through changing attitudes, partly by initiating more exchange between academic and business cultures. Involving Russia, improving infrastructure and promoting free trade are also of vital importance for the development of the Baltic Sea region, Mr Lindberg concluded.

Mr Lennart Koskinen talked about the particular 'Baltic soul', i.e. the values we share in the region. He also promoted the Baltic Sea Convention, which will be held in Visby on the 24–29th of June 2007.

Mr Hans Jeppson stated initially that there is too much focus on the obstacles to cooperation. Mr Jeppson brought up lan-

guage barriers as one obstacle, which we simply have to learn to live with and to accept. He further called for a common regulation in the Baltic Sea region concerning trade, and underlined that the region must take the Lisbon Challenge seriously. It is also important to create positive cross-border cooperation to encourage a good investment climate, aiming towards free global trade. Mr Jeppson further emphasised that increased economic growth has a local and regional base.

Panel debate: Promoting trade and investment in the Baltic Sea region

The panel underlined the importance of trade and investment as an essential driving force for development and progress in the Baltic Sea region. Mr Zygmunt Meyer put focus on foreign investment and innovation as crucial factors for economic growth in the region of West Pomerania. The region has worked hard to become an attractive alternative for foreign investors. According to Mr Meyer the efforts have paid off – the unemployment rate in the region has decreased from 27.8% to 19%. The way that Poland is perceived in the eyes of the surrounding world also needs to change according to Mr Meyer, who believes that the image of Poland has become more positive from an investor's point of view during recent years.

Ms Carolina Brånby informed the audience about different ways to promote a productive climate for the local business community. The Confederation of Swedish Enterprise has created a database with statistics on the business climate in the different municipalities. The business climate is measured in terms of so-called soft aspects, like atmosphere and attitudes, as well as hard aspects, for example the degree of regulation. The statistics are presented in a ranked list, allowing visitors to compare the different municipalities. Ms Brånby encouraged the sharing of best practices among the municipalities and stressed the importance of creating a constructive platform for local decision-makers and entrepreneurs. Ms Brånby was asked by the moderator Ms Marie-Louise Matsson, if the 'euphoria' regarding investment in the Baltic Sea area has stopped. According to Ms Brånby, the willingness to relocate companies has changed. One possible reason might be that today it is more important than ever to have extensive knowledge of the market and the place where you are thinking of moving your company.

Mr Ola Asplund concentrated on three important aspects to improve the climate for investment. At the regional level he emphasised the importance of industrial development centres, preferably owned by small and medium-sized companies, focusing on product development and networking. At the national level Mr Asplund underlined the 1997 cooperation

agreement on industrial development and wage formation as an important framework for national negotiations. On the international level cooperation in the area of research and education was brought up as an important aspect to enhance the climate for investment.

Mr Roberts Dlohi presented his view on the bright and dark sides of the new 'knowledge economy'. According to Mr Dlohi, there will be a significant number of people who are not ready to adapt to the new productivity and knowledge demanded in the new era. One of the key roles for the municipalities around the Baltic Sea would therefore be to cope with the unengaged part of societies by supporting the business environment, for example, by simplifying bureaucratic rules.

The panel was asked to make a 'wish-list' for the future development of the Baltic Sea region regarding trade and investment. Some of the answers focused on further development in the area of transport, more women as decision-makers in the business sector, as well as increased productivity and innovation and better teamwork between the business sector and the authorities.



Voices from the conference

The Weran Baltic Sea Project – helping female entrepreneurs getting started in Russia

The Weran Baltic Sea Project, running from 2005–2007, is a continuation of the Weran Project – a cooperation between Södermanland county in Sweden and Leningrad Oblast in Russia between 2001–2003. Språngbrådan Utvecklingskonsulter AB and St. Petersburg Social and Economic Institute manage the project.

Ms Elena Kalinina, Rector of St Petersburg Social and Economic Institute, describes the Weran Baltic Sea project as a project for 'women who want to change their lives'. Networking is the keyword, with the overall objective to create sustainable cross-border networks on economic growth through promotion of women-owned small and medium enterprises, and entrepreneurship in the Russian and Swedish regions involved. It is also an important project from a political point of view, since Ms Kalinina describes the two countries in a sense of 'being close, but still closed to each other' in many aspects.

One of the project objectives is to establish six local resource centres (LRCs) for the development of women entrepreneurs in Russia, by using the model of Swedish LRCs, but with some changes to make it suitable for Russian conditions. The LRCs organise seminars and training for women who wants to develop their business. A manual on methods and a step-by-step approach on the topic of 'how to start, establish and maintain a local resource centre in Russia' will also be developed. The Weran Baltic Sea Project also promotes networking by organising meetings with Russian and Swedish politicians – both men and women – to exchange experiences on methods for economic growth.

The project generates enthusiasm among women in Russia as well as in Sweden, which was demonstrated by the high number of participants when over a thousand women visited a conference and exhibition arranged by the project. What do men in Russia think about the Weran Baltic Sea Project then? According to Ms Kalinina and her Swedish cooperation partner Ms Carin Lann from Språngbrådan, men within the authorities and politics often support the project and find it progressive and interesting. A lot of regions both in Russia and in Sweden have contacted the project with the wish to become involved. Today 25% of the entrepreneurs in St. Petersburg are women, which means that women are already an important factor for economic growth in Russia as well as in Sweden, according to Ms Kalinina.

Conclusions: Challenges for Further Development of Regional Cooperation in the Baltic Sea Area

The conference 'Prosperity and Sustainability – local cooperation in the Baltic Sea region' covered a multitude of ideas, plans, undertakings and commitments concerning the development of cooperation in the Baltic Sea region. In order to structure, monitor and follow up future cooperation, the conference outcomes were summarised by the conference chairman, Ms Carin Jämtin, as concrete challenges or 'batons' to pass on to different actors in the region. The batons described below were received with engagement from the participants and constitute concrete measures and actions for further development of cooperation in the Baltic Sea area.



Theme 1 batons: strengthening cooperation between local, national and international actors

Encouraging local and regional participation and cooperation

Participants

- underlined the importance of encouraging local and regional initiatives and participation in solving problems together in the Baltic Sea region
- noted the need to pay special attention to contributions by youth in this process
- emphasised the further development of twinning as a constructive form of local and regional trans-boundary cooperation.

Making full use of European programmes for territorial cooperation

Participants

- welcomed the intentions of the international bodies expressed during the deliberations
- underlined the importance of European regional policy as an instrument for promoting solidarity and reducing the gaps in development among regions
- pointed to the possibilities offered by EU programmes to facilitate cross-border, trans-national and interregional

cooperation among local and regional authorities in the Baltic Sea region.

Creating a clearing house for information and best practices

Participants

- underlined the need to secure relevant exchanges of information and follow-up concerning commitments and activities inspired or proposed during the conference
- welcomed the offer by the Swedish Government through the Sida Baltic Sea Unit in Visby to manage the web-site www.balticgrowing.se as an information bank and clearing house for registering and sharing the experiences of cooperation in the Baltic Sea region.

Theme 2 batons: providing a secure and sustainable livelihood in the Baltic Sea region

Utilising consumer power in public procurement to attain environmental objectives

Participants

- discussed the problem of eutrophication, the main cause of algal bloom in the Baltic Sea
- invited other regional and local authorities to study the possibility of their public procurement policy following the example of the municipality of Landskrona, Sweden, which does not permit the use of detergents containing phosphates in municipal activities -such as nurseries, day-care centres, schools and homes for the elderly
- recognised green public procurement (GPP) as an important tool for steering production and consumption in the Baltic region towards sustainable development, and encouraged the establishment of a Baltic region GPP collaboration and of a GPP Internet-based tool aimed at sharing knowledge and best practices. The foundations for such collaboration should be further elaborated at a meeting involving the relevant national authorities.

Improving the environmental situation

Participants

- encouraged the Swedish Presidency of the CBSS to organise a joint meeting of environment and agriculture ministers in April 2007 to address issues relating to rural development, biodiversity and the general environmental situation in the Baltic Sea region
- welcomed the initiative by the Swedish Government to convene a Youth Parliament for the Environment of the Baltic Sea next year, 2007

Initiating comprehensive regional programmes for sustainable Development

Participants

- expressed awareness of the complex causes of today's ecological situation in the Baltic Sea
- noted the decision by the Municipality of Gotland, Sweden, to offer itself as a testing ground for sustainable development by initiating special programmes in the areas of agriculture, energy, transportation and tourism
- expressed the hope that the other larger islands in the Baltic Sea would find it possible to join this effort
- underlined the wish that these measures be developed into a joint project within the framework of EU structural funds for the period 2007–2013.

Securing local energy efficiency

Participants

- discussed how to secure energy efficiency at all levels of society while at the same time promoting energy supplies from renewable sources
- noted that several local, regional and national authorities have started work on an energy strategy and set up energy agencies to give advice on local energy policy and decision making
- encouraged exchanges of information and mentoring among communities in this respect
- underlined that, since there is a vast potential in the bio-energy field in the Baltic Sea region, there should be an increased exchange of information and know-how among communities on experiences in building and maintaining district heating systems based on bio-fuels
- reiterated that wind power can be an even more important source of energy in the future
- underlined that the assessment of the feasibility of a Baltic Sea gas pipeline should be conducted with a high level of transparency

Combating trafficking in human beings

Participants

- discussed the serious problem of trafficking in human beings for prostitution purposes, the role of local prostitution customer markets in creating the demand for trafficking and the abuse suffered by the victims
- welcomed the work carried out by law enforcement authorities and the Task Force on Organised Crime in the Baltic Sea region

- recognised that there is both a supply and demand aspect to trafficking and that both must be addressed with the aim of establishing the principle of zero tolerance
- welcomed an initiative to invite local and regional leaders to take turns for periods of 1–2 months in accepting responsibility for intensified efforts to make their citizens aware of the problem of trafficking
- noted that such efforts might include developing networks of public agencies and NGOs dealing with violence against women and with trafficking, information campaigns in schools, conferences and seminars, training for relevant professional groups in the community and developing social services programmes to support and reintegrate the victims of trafficking
- welcomed the intention of the Municipality of Luleå to start this initiative in October 2006
- noted that the Government of Sweden has appointed a special ambassador for trafficking and also noted that the Swedish Prime Minister encouraged other countries to do the same.

Theme 3 batons: promoting trade and investment in the Baltic Sea region

Cooperating to shape a productive business climate locally and regionally

Participants

- underlined that trade and investment constitute an essential driving force in the development of the Baltic Sea region
- drew attention to the use of benchmarking as a tool for assessing and improving the local business climate
- encouraged municipalities to interact with their business communities in order to identify their success factors, exchange information with other municipalities and business communities by using the Sida Baltic Sea Unit as an information bank and a clearing house and set targets for their own activities and making the changes needed
- Recognised the need to utilize in full the possibilities offered by an open and trustful dialogue between business, trade unions and politicians at municipal level.

Tripling trade in ten years

Participants

- welcomed the Triple Trade in Ten Years action programme, initiated by the Baltic Sea Chambers of Commerce, focusing on four points for joint action by political institutions and business communities: changing

attitudes, involving Russia, free trade and improving the infrastructure

- encouraged all relevant actors in the Baltic Sea region to make their contributions towards the goal of tripling trade in ten years

Eliminating barriers to trade and investment

Participants

- discussed the suggestion by the Business Advisory Council of the Council of the Baltic Sea States to create a model for identifying and eliminating obstacles to trade and investment
- welcomed the initiative by the Swedish Presidency of the CBSS to initiate a study by the National Board of Trade in Sweden concerning present barriers to trade, trade flows in the Baltic Sea region and their role in contributing to growth and the impact of free trade and protectionism in the area as a basis for further work in general and for a planned seminar on free trade in April 2007 in particular
- encouraged other CBSS member States, as well as regional and local authorities, to initiate corresponding processes to identify and eliminate barriers to trade and investment in the Baltic Sea region.

Using mentors to assist trans-boundary trade in the Baltic Sea region

Participants

- were informed about a project of local mentoring in the Swedish provinces of Blekinge and Kalmar, where small and medium-sized enterprises wishing to trade with partners in other countries of the Baltic Sea region were offered assistance by mentors with their own experiences of trade with these markets
- encouraged others to initiate similar programmes and activities in their respective countries and communities.

Support to women entrepreneurs in small and mediumsized enterprises

Participants

- were informed about a project, started in 2001 by the province of Södermanland in Sweden and the Leningrad Oblast in Russia, to support female entrepreneurship and women-owned small and medium-sized enterprises
- encouraged endeavours to spread these activities to other parts of the Baltic Sea region

Building bridges in the Baltic Sea region

Participants

- welcomed efforts to strengthen the identity of the Baltic Sea region
- encouraged closer cooperation in the field of tourism
- were given a report on behalf of the Socioethic Institute and Theobalt Foundation in cooperation with the Baltic Development Forum
- were encouraged by its holistic approach, which advocates building bridges not only between people, regions and countries, but also between politics, trade, civil society, churches and universities with the aim of “Creating the Good Society” in the Baltic Sea region
- noted that this will be the theme of a Baltic Sea Convention in Visby in June 2007

More information about the conference can be found on www.balticgrowing.se. The Swedish Government through Sida's Baltic Sea Unit in Visby, will manage this website as an information bank and clearing house for registering and sharing the experiences of cooperation in the Baltic Sea region.



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