

# JOURNAL OF NORDREGIO

No. 1 March • Volume 9 -2009

## The Baltic Sea Region Strategy



# Contents

EDITORIAL	3
MANY ROADS TO LISBON AND GOTHENBURG	4
ALARMING URBAN DISPARITIES IN THE BSR	6
THE MISSING RAILWAY LINKS IN THE BSR	9
EXPLORING SPATIAL INTEGRATION IN THE BSR	12
FUTURE FOR BSR-RENEWABLES	15
- YES AND NO TO EU	18
EU COHESION POLICY CRISIS IN LATVIA	20
EU AND POLISH REGIONAL POLICY	22
KALININGRAD: THE FAVORITE OR STEPCHILD?	24
EASTERN BSR-PERIPHERIES AT A STANDSTILL	26
LIVING WITH RUSSIAN-ESTONIAN BORDER	28
MOSTLY WATER AND COUNTRYSIDE	29
THE BALTIC SEA REGION ORGANISATIONS	30
SWEDEN: UNEMPLOYMENT COORDINATION	34
NORDREGIO SEEKS NEW STAFF	35

Journal of Nordregio is owned and distributed by the Nordic Centre for Spatial Development (NORDREGIO). The journal appears quarterly and is distributed free of charge. All articles express the views of their authors. Subscription: [sophie.didriksson@nordregio.se](mailto:sophie.didriksson@nordregio.se)

Copyright © Journal of Nordregio ISSN 1650-5891

**JOURNAL OF NORDREGIO**  
 OLE DAMSGAARD Director  
 ODD IGLEBAEK Editor  
 CHRIS SMITH Language Editor

Graphic production: Osigraf as, Oslo Norway | Phone: +47 64 87 60 80

Cover photo shows Lifeguard World Championships 'Rescue 2008' in Warnemuende at the southern shores of the Baltic Sea. Photo: Bernd Wuestneck, Scanpix.

**NORDREGIO**  
 Street address:  
 Holmamiralens väg 10  
 Stockholm, Sweden  
 Tel.+46 8 463 54 00  
 Fax +46 8 463 54 01  
[www.nordregio.se](http://www.nordregio.se)

**ODD IGLEBAEK**  
 Nordregio  
 Box 1658  
 SE-111 86 Stockholm, Sweden  
 Tel.+46 8 463 54 05  
 Fax +46 8 463 54 01  
 E-mail [odd.iglebaek@nordregio.se](mailto:odd.iglebaek@nordregio.se)



Nordregio is a centre for research, education and documentation on spatial development, established by the Nordic Council of Ministers.

## Sweden's regions taking shape – sort of

The new regional map of Sweden is slowly taking shape. In January 2009, the Swedish government decided to make the super-regional experiments of Skåne and Västra Götaland permanent. In an indication that there will be no lower limit to what may constitute an administrative region in the future, Halland and Gotland also received the green light that they may in the future constitute separate administrative regions.

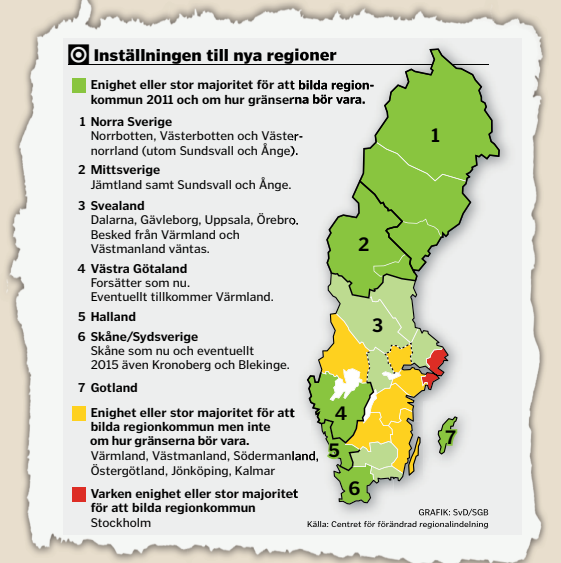
For the rest of the country, the ball has now been left firmly in the court of the Swedish Legal, Financial and Administrative Agency (*Kammarkollegiet*). Counties (*län*) that want to merge to create larger regional administrative entities will have to present their applications to this government agency for final confirmation.

The Swedish centre-right government has opted to maintain the three-tier administrative structure, meaning that new regions will remain responsible for administering the same policies as those already being managed by the regional authorities of Västra Götaland and Skåne today - regional development and cultural issues.

This slow progression comes to the dismay of the counties of Norrland, where the details of a new regional map, incorporating eight or nine *län* in three new regions, are rapidly emerging and attracting popular support. There are also signs that the Västra Götaland and Skåne regions may be expanded, by adding Värmland (to Västra Götaland in the north) and Kronoberg/Blekinge (to Skåne in the South).

The delimitation of the new larger regions appears most challenging in the south eastern part of the country. A definitive regional map of Sweden cannot thus be expected before 2011 at the earliest.

By Jon M. Steineke



Facimile from Svenska Dagbladet

# A new Baltic Sea Region Strategy?



According to EU figures 106 million people live in the Baltic Sea Region. They constitute some 23 % of the EU's population. The BSR's aggregated GDP is however only 16 % of EU's total GDP.

On 14 December 2007 the EU's decision-making body (the European Council) launched an initiative to develop the Baltic Sea Region strategy. The primary purpose is to improve the environment and increase economic growth while making the area more attractive and accessible as well as safe and secure. The fact that some 2000 ships transits the Baltic Sea daily underlines the need for continuing coordinated security-measures.

The plan is that the outlines for the new BSR-strategy shall be ready by June 2009. Moreover it will be adopted during the autumn, while Sweden has the chairmanship of the Union.

The proposal for a BSR-strategy has not generated much public debate - at least not thus far though a few attempts have been made. The first BSR-strategy stakeholder meeting was held in Stockholm in September 2008. Soon thereafter the Swedish daily *Dagens Nyheter* (11/10/08) tried to generate some interest by noting that, for the first time ever, the European Union would renounce the power to create so-called macro-regions. They continued by reporting that if the Baltic Sea Region proved a "success", this could help give the green light to the creation of more 'macros'. The Donau-delta and the Alps were most likely possibilities, according to newspaper.

Just ahead of the second BSR-strategy stakeholder meeting (Rostock, February 2009) German chancellor Angela Merkel and Swedish prime-minister Fredrik Reinfeldt tried to generate interest by publishing a joint chronicle in several newspapers (for example *Svenska Dagbladet* 04/02/09). They argued that a joint strategy could create "increased growth and more jobs by better use of existing resources" in the region. The launching of a new macro region was, however, hardly mentioned.

The fact that it was Sweden and Germany who jointly pursued such an attempt is perhaps not surprising given their geographical location. But why did Poland or for that matter Denmark, Estonia, Finland, Latvia or Lithuania, who all are EU Member States, not participate in the initiative?

Could it be that they feel overawed by Brussels and by the two strongest economic and political states in the Baltic Sea region? Or is it that they see the whole BSR-strategy exercise as something of a sideshow - as there are already more than enough political forums and different types of organizations cooperating in and around the Baltic Sea? (For an overview, see for example pp 30-32 of this edition of the Journal)

Of course it could also be that there are more interesting things to discuss like climate change and the financial crisis. And by the way, Nordregio has in fact been involved in research on security, broadly defined, and the Baltic Sea for more than ten years.

In December 2008 Nordregio published the report *Exploring the Baltic Sea Region - On territorial capital and spatial integration* edited by Alexandre Dubois and Peter Schmitt. The report is remarkable for its breadth of coverage and is thoroughly illustrated with an abundant collection of maps throughout.

This issue of the Journal of Nordregio is in some ways a further continuation of the work of the report. One example of this is the article *Alarming urban disparities in the BSR* (p 6) Also the dramatic overall decline in population - of close to 15 % in Estonia and Latvia over the last 15 years is

highlighted as is the fact that Lithuania, the BSR-part of Russia and to some extent Belarus also are witnessing similar trends.

These current eastern Baltic Sea Region population trends can be seen as being somewhat similar to the experiences of Northern Finland, Norway and Sweden, particularly in the aftermath of the Second World War. There is however a major difference and that is that these western countries had then, and still have, growing populations.

Turning again to the future of the BSR we should also highlight the articles on *The missing railways links* (pp 9-11) and the overview of the *Potentials BSR-renewable energies* (pp 15-17) as both tap into increasingly import debates over the need for better transportation links and cleaner energy which are vital to the region's future.

In May 2004, some 15 years after independence and the fall of the 'iron curtain', four Eastern BSR-countries became members of the European Union. Parallel to this, the transfer-policies of the Union changed. Particularly from 2007 onwards however increasing amounts of financing will be channeled from agricultural subsidies to regional development in the form of the Structural Funds.

What have the new Member States gained from this? To find out more we invite you to read the articles by Gulnara Roll from Estonia (pp 26-27), Juris Paiders from Latvia (pp 20-21) and Jacek Szlachta from Poland (p 22-23) while on (pp 24-25) Denis Sechkin forwards a Kaliningrad-perspective to this all.

Finally, Nordregio is looking for new staff. Three positions are vacant. Check out page 35 if you are interested.

Odd Iglebaek, Editor  
 odd.iglebaek@nordregio.se



# Many roads to Lisbon and Gothenburg

The Lisbon Agenda, launched by the European Council in 2000, was tasked with the creation of a competitive knowledge economy that could help promote economic growth by raising employment levels, as well as creating greater social cohesion and increasing respect for the environment. The strategy highlighted the central role of knowledge and innovation in this regard. In 2005 when the Lisbon Agenda was re-launched, the strategy focused on actions for growth and employment, more and better jobs in the EU, improved governance procedures and increasingly on the territorial and sustainability dimensions of Cohesion Policy.

In 2001 the European Council adopted the Gothenburg Agenda for sustainable development which emphasised the role of the economic, social and environmental pillars of sustainability and set long-term targets for a sustainable Europe. Renewed efforts for sustainable development in the EU highlight the adoption of better methods of integrated and balanced policymaking and the role of sustainable development as a complement to the Lisbon Strategy.

European Regional Policy instruments such as the Structural Funds have thus become one of the main means to implement the Lisbon agenda for growth and jobs and the Gothenburg agenda for sustainable development.

Together with an international team of experts representing all 27 EU Member States, Nordregio recently completed a DG Regio study to evaluate the potential for the 2007-2013 Regional Policy instruments to contribute to the Lisbon and Gothenburg objectives for growth, jobs and sustainable development. The study was grounded on an examination of the 246 Operational Programmes funded by the European Regional Development Fund (ERDF) and the Cohesion Fund, as well as national regional policy documents.

The study found that the 2007-2013 Regional Competitiveness and Employment objective and Convergence objective programmes (those with a GDP *per capita* in PPS of less than 75% of the EU average) retain significant potential

to contribute to the Lisbon and Gothenburg goals though such programmes often have the potential to contribute to these goals in rather different ways.

The Cohesion Policy strategies of all the EU Member States do lead to Lisbon and Gothenburg, although each country embarks from a very different starting point depending on their stage of development, the challenges they face; their future potential and the scale of EU programmes relative to national action.

Six “roads” to Lisbon and Gothenburg have been identified through examination of the strategic priorities and budgets of regional policy programmes as well as socio-economic indicators. These “roads” characterise the broad approaches taken by Member States to align their Cohesion Policy programmes to the Lisbon and Gothenburg agendas.

These “roads” are not mutually exclusive, but are rather a guide to highlighting differing emphases in policy terms. As such there may be elements of a number of “roads” in many Member State’s programmes. The figure on p. 5 provides further details.

Two overall approaches can be identified:

- The “old” Member States and Regional Competitiveness and Employment regions maintain a strong focus on innovation, knowledge, R&TD, ICT and entrepreneurship through Cohesion Policy. This can be characterised by groups of strategies oriented towards innovation, territorial potential and environmental synergy.
- The “new” Member States and the former Cohesion countries of Greece and Portugal, which have a large number of Convergence programmes, also focus on innovation, knowledge, R&TD, ICT and entrepreneurship. In addition however they put much greater emphasis on infrastructure development and accessibility as a route to jobs, growth and sustainable development. This can be characterised with strategies oriented towards growth/jobs and infrastructure, human capacity and cohesion infrastructure.

One salient observation that emerges from an analysis of the different approaches here is that Lisbon may well be the first destination that the overall Cohesion Policy road reaches. Therefore one of the challenges faced by all will be to look for more opportunities to develop projects that can contribute to both Lisbon and Gothenburg. There will be obvious trade-offs here particularly between economic and environmental goals, but there are also opportunities for synergy, particularly as regards improving productivity and promoting innovation.

It is clear that in delivering the Lisbon and Gothenburg agenda objectives of growth, jobs and sustainable development through regional policy instruments, there is no “one-size-fits-all” solution. Rather, there are a number of approaches that are being taken within the same overall direction of travel. This is not surprising; as each Member State starts its policy and programme development from a different place depending on its development history and future potential, this diversity makes sense.

The important thing is that each country’s strategy is internally coherent with regional potentials while at the same time contributing to the overall aspirations of the EU.

By Lisa Van Well, Research Fellow  
lisa.van.well@nordregio.se



Jose Sterling, Research Assistant  
jose.sterling@nordregio.se



	'Roads'	Country	GDP/head	R&D	Energy Intensity
1	Innovation	Luxembourg	278	1.57	190
		Ireland	146	1.32	144
		Denmark	126	2.43	114
2	Territorial potential	Netherlands	131	2.45	196
		Belgium	120	1.83	205
		Sweden	125	3.82	204
3	Environmental synergy	Finland	117	3.45	242
		Germany	114	2.51	157
		Austria	128	2.45	149
4	Growth/jobs infrastructure	UK	118	1.76	203
		France	111	2.12	186
		Italy	103	1.10	191
5	Human capacity	Spain	105	1.15	219
		Portugal	75	0.81	241
		Greece	98	0.57	237
6	Cohesion infrastructure	Malta	77	0.55	270
		Cyprus	92	0.42	245
		Czech Rep.	79	1.54	823
		Slovenia	88	1.59	320
		Hungary	65	1.00	544
		Estonia	69	1.14	967
		Lithuania	56	0.80	949
		Latvia	54	0.69	645
		Poland	52	0.56	585
		Slovakia	64	0.49	869
		Bulgaria	38	0.48	1582
		Romania	39	0.46	1165

## Competitiveness

## Convergence

1	Focus on innovation and entrepreneurship to address globalisation challenges -economic priorities- large national programmes.	Using infrastructure to boost growth and jobs, recognising environmental trade-offs - links to innovation and entrepreneurship	4
2	Addressing regional challenges and potential in relation to globalisation - often an innovation & entrepreneurship focus	Building and realising human and institutional capacity (often linked to innovation and entrepreneurship) to improve job quality	5
3	Focus on growth but also looking for environmental synergies - often with an innovation component e.g. renewable energy	Using infrastructure to bridge urban/rural gap (links to innovation and entrepreneurship), economic development priority	6

The GDP indicator corresponds to GDP *per capita* in Purchasing Power Standards (in 2007) in relation to the European Union (EU-27) average set to equal 100. If the index of a country is higher than 100, this country's level of GDP *per capita* is higher than the EU average and *vice versa* (the figures have been rounded); R&D corresponds to Gross domestic expenditure on R&D (GERD) percentage of GDP, 2006; and Energy Intensity corresponds to Gross inland consumption of energy measured as total energy consumption (in kilos of oil equivalents) per GDP (in 1000 Euros). (The figures have been rounded). Source: Eurostat, Structural Indicators

# Alarming urban disparities in the BSR

From a BSR perspective, current trends in the demographic development of the region's cities are alarming. This is not, however, the case for all the cities around the Baltic Sea. What is striking here though is that the emerging disparities between growing and shrinking cities have widened even further.

Indeed the entire BSR shows only a slight decline in total population (see chart p. 23), but on closer inspection we see that continuing overall urban growth goes hand in hand with rural decline, although with contrasting tendencies between the various countries involved.

More specifically, we can observe a spatial polarisation of population towards capital areas, larger agglomerations and higher order urban centres across most of the BSR, which is followed by accelerating suburbanisation in and around the main metropolitan areas.

Additionally, numerous small and medium-sized cities and towns on the fringes of the capital areas and other urban agglomerations can be seen as the winners because, in the 2002-2006 period, they saw the most rapid population expansion of all mainly due to significant in-migration flows (see map p. 22).

The majority of small and medium-sized cities and towns, and specifically those that are to be found in relatively peripheral situations, are however increasingly hampered by shrinking processes. This means that the disparities between cities in terms of population have widened recently as compared to an earlier study by Hanell and Neubauer (2005) for the 1995-2001 period.

In other words, the key drivers of population change remain in place: strong migration surpluses in the Western part of the BSR and extensive natural losses in the Eastern BSR, with, however, distinctive national and regional variations pertaining.

What is even more alarming however is the fact that these contrasts, specifically between most of the Nordic cities and most of those located in the Baltic States, NW Russia, and Belarus and to a lesser extent in Poland and North East Germany also, will grow at an ever increasing velocity.

According to the latest national forecasts in the BSR one can anticipate – with the exception of the core regions in the Nordic countries – a general decrease in the overall population which goes hand in hand with the 'emptying' of rather

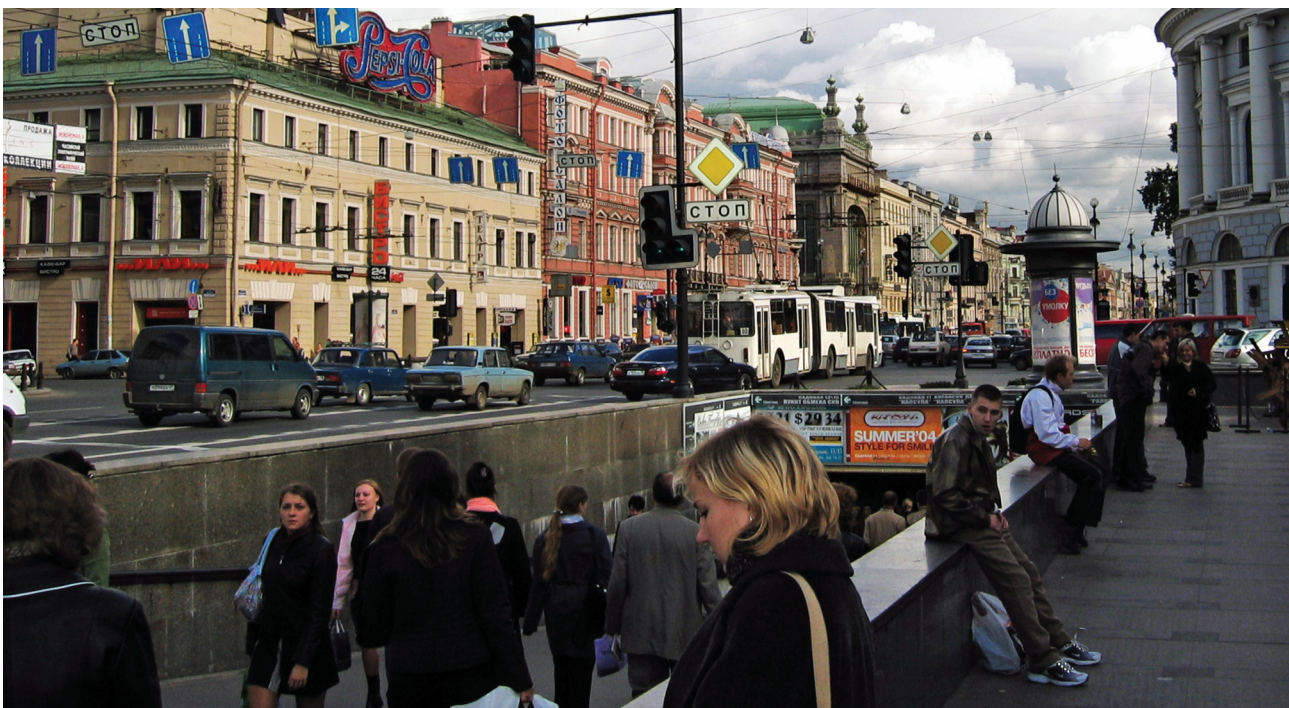
peripheral areas and those that are characterised by somewhat isolated small and medium-sized cities and towns and their rural hinterlands.

Stable developments are for the most part to be expected in the larger metropolitan areas (here often at their fringes rather than in the cores) – some will even increase in population such as in the Nordic countries.

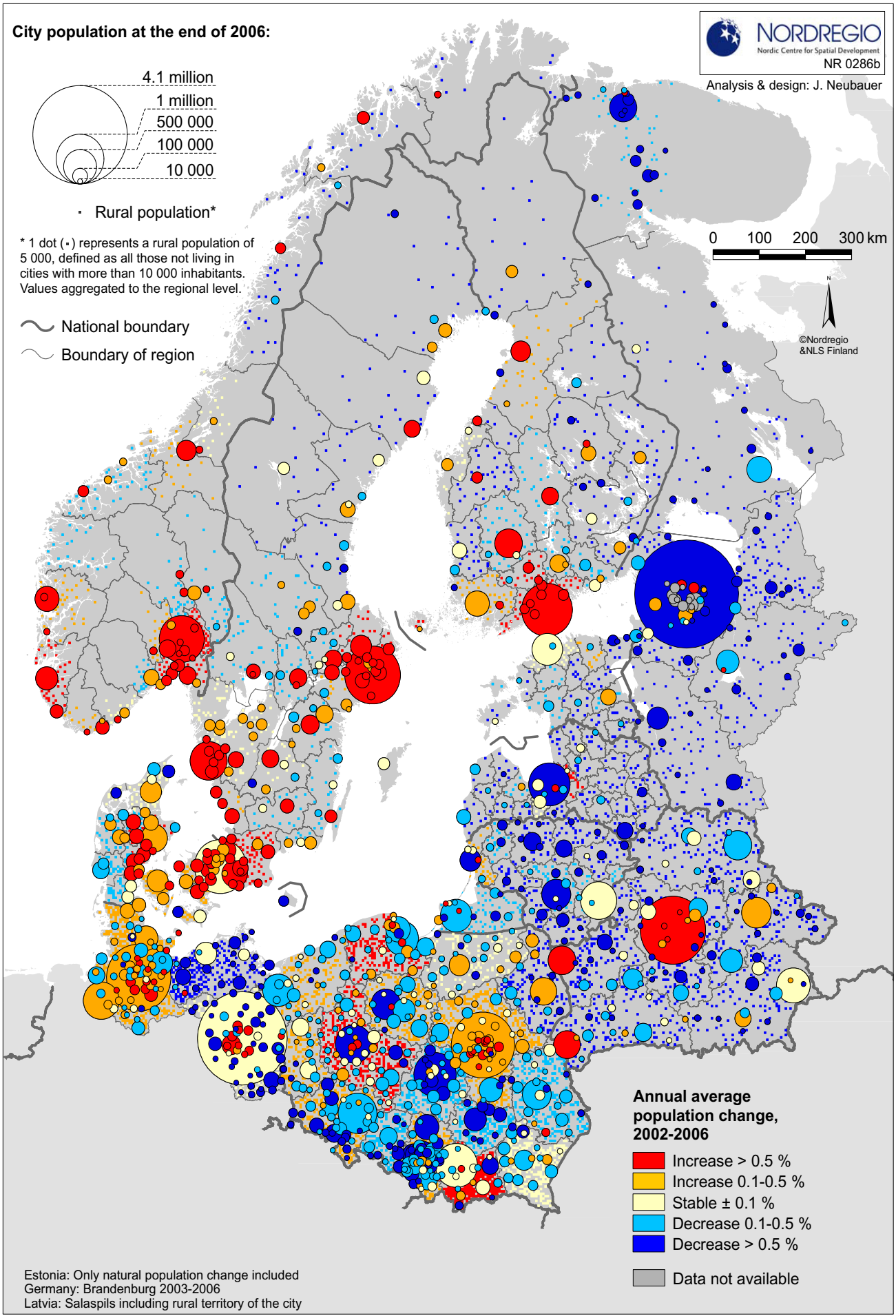
The basic driving force of these trends and their territorial impacts is the relatively low birth rate in many BSR-countries, which can be compensated for in only a few regions by in-migration. Additionally, on the other hand, many cities and regions will be even more hampered by out-migration in the near future, not necessarily just to other BSR-countries, but to the rest of Europe more generally.

In consequence, many cities and regions, specifically in the eastern and southern part of the BSR will increasingly suffer from a shrinking labour force (i.e. less people of working age) as well as from a greying population (i.e. more people of pensionable age).

Taking into consideration the labour market or the regional GDP *per capita* we see also sharp contrasts between several



St. Petersburg (above) is the largest metropolitan area of the Baltic Sea Region. Photo: Merete Bendiksen/norden.org

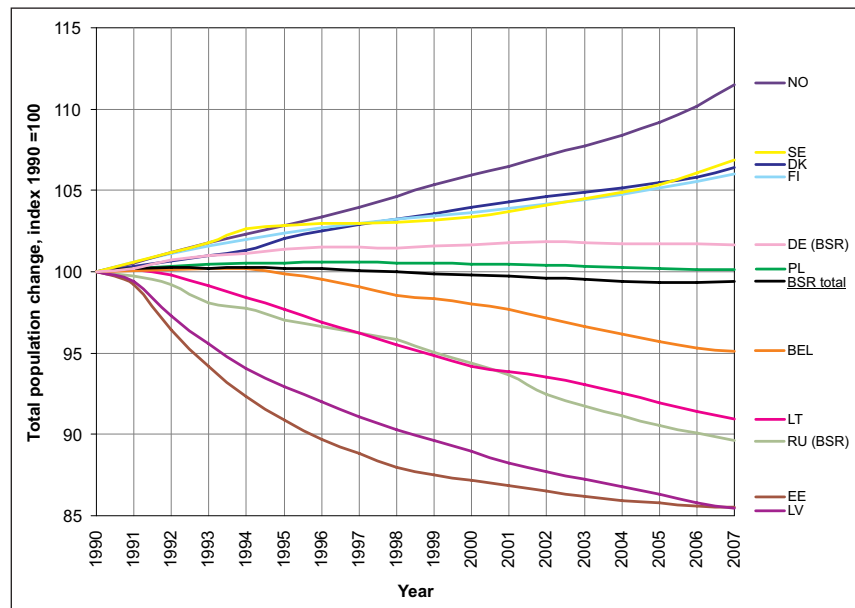


BSR cities and regions. One can thus say that, on the one hand, the overall picture in respect of the traditional East-West divide remains. On the other hand however we can observe an ongoing differentiation, i.e. the mosaic of well- and less-well performing cities and regions and those which are increasingly catching-up is becoming wider and ever more diverse.

Naturally, this differentiation can be interpreted as a kind of normalisation process with regard to the larger cities and metropolitan areas in the BSR as they are simply following trends found elsewhere in Europe. Nevertheless, due to the spatial structure of the BSR, which – compared to the rest of Europe – is peculiarly impeded by a number of specific circumstances (such as long distances, isolated border-regions, sub-arctic climate, sparsely populated regions), the BSR needs to formulate a different approach (as compared to other European macro-regions) towards territorial cohesion.

In view of the long-term sustainability of the BSR, the shrinking labour force and the safeguarding of public infrastructures, combined with the retention of an acceptable level of public service provision 'greying societies' will remain among the most persistent challenges up to the year 2030 and most likely even beyond.

In addition the ongoing emptying of rural areas demands the adoption of new strategies in respect of how to use existing cultural and natural resources in the future. Alternative paths will have to be defined for such areas including the development and promotion of 'soft' tourism, recreation or nature conservation.



Population changes in % in the Baltic Sea Region. Source: National Statistics.

To enhance the birth rate in most BSR countries and thus to contribute to the stable and sustainable reproduction of the BSR's population is not necessarily only a national concern.

Local and regional services can contribute enormously by supporting the ability of families to better combine family and work/education in their everyday lives.

#### Further Reading:

Schmitt, P./Dubois, A. (2008): Exploring the Baltic Sea Region – On territorial capital and spatial integration. (Nordregio Report 2008:3), Stockholm, 138 pp.

Hanell, T./Neubauer, J. (2005): Cities of the Baltic Sea Region – Development Trends at the Turn of the Millennium. (Nordregio Report 2005:1), Stockholm, 128 pp.

By Jörg Neubauer, previous Research Fellow at Nordregio, now Swedish Energy Agency, Executive Officer, Planning Department – Wind Energy Unit, [jorg.neubauer@energimyndigheten.se](mailto:jorg.neubauer@energimyndigheten.se)



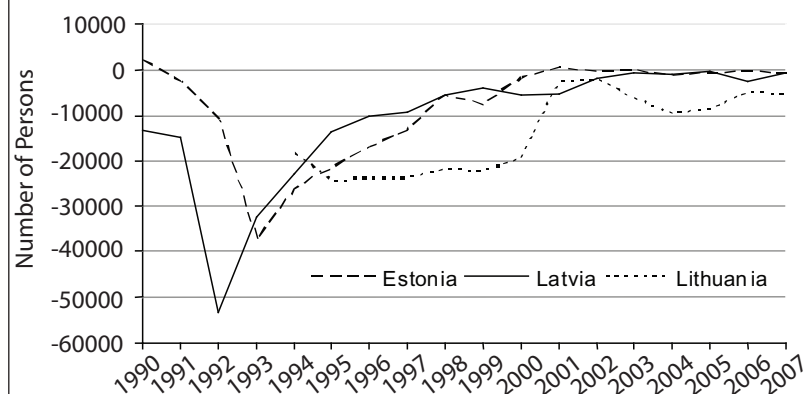
Peter Schmitt, Senior Research Fellow, [peter.schmitt@nordregio.se](mailto:peter.schmitt@nordregio.se)



## Correction

In Journal 4/08 the graphic to the right lacked the necessary figures for the numbers of people emigrating from the Baltic countries. It is therefore reproduced here. The figure shows that EU membership did not boost emigration from Estonia, Latvia and Lithuania. The major emigration flow from these countries came just after independence. EU membership for the Baltic countries was granted from 1 May 2004.

Figure: Net migration from Estonia, Latvia and Lithuania 1990-2007





# The missing railway links in the BSR

There are, to date, no trains linking directly (i.e. without change) the following cities: Warsaw, Vilnius (or Kaunas), Riga and Tallinn. The absence of north-south infrastructure is determinant here. This lack of connectivity between the Polish and Baltic capitals is still probably the most serious bottleneck for the complete integration of the Baltic Sea Region. In this particular case however, bus services and air connections act as substitutes for the relative weakness of the rail system.

Moreover, while Tallinn, Riga and Vilnius remain inadequately connected to each other, they all do have direct connections to St. Petersburg, even if the frequency of these routes is rather low (6 weekly direct trains each). In this regard, Minsk appears to be central here in acting as the connection hub between North West Russia, Kaliningrad and Poland in addition to Belarus itself. Indeed, Minsk boasts not only direct rail connections to Warsaw, Vilnius, Kaliningrad, but is also a necessary way-station for mobility between these cities.

The integration of the transport networks of the countries composing the BSR has been perceived, since the emergence of the macro-region in the beginning of 1990s, as a condition *sine qua non* for improving the integration of its regional and national economies. Consequently, it

is not surprising that this specific theme has been central to the work of the Visions and Strategies Around the Baltic Sea (VASAB) organisation, since the adoption of its first ‘vision’ in 1992.

The Gdansk Declaration, the latest document adopted by VASAB, again highlights the importance of the role of transport infrastructure in enabling connectivity between regions within the BSR but also beyond it, emphasizing in particular the need to adapt these infrastructures, as well as logistic chains, to the territorial diversity of the macro-region.

More importantly, the document stresses the importance of EU policies with regard to accessibility issues. Improved accessibility is seen as an important part of the Community Cohesion Policy, and the planned investments in the Trans-European Transport Network (TEN-T and TINA) are seen as crucial in improving the connectivity of the BSR to the rest of the European continent. The development of the Transnational European Networks represents a key part of the EU’s strategy to achieve an integrated Internal Market, and is also a key vehicle in furthering EU – Russia integration.

The most emblematic and probably also the most problematic challenge in this regard corresponds to the lack of inter-

operability of the various national railway networks, due to differing technical solutions and their varying degree of technical sophistication. This remains a limiting factor in the quest to facilitate the mobility of persons and goods across the border, particularly on the Eastern shore of the Baltic Sea, from Poland to North-West Russia.

As for the differing technical solutions, the main challenges remain the differences in gauge-size between the Russian (1520mm) and European (1435mm) systems. In addition to Russia, Belarus and the Baltic States have also inherited the Russian gauge standard, due to their inclusion in the former Russian Empire, and consolidated during the Soviet era. Finland also has the Russian gauge system for similar reason.

In Poland and Kaliningrad, both systems can be found due to the area’s later inclusion in the “Russian sphere”: Kaliningrad was previously part of Germany before being annexed to the Soviet Union, while the territories of Poland was split between Russia and Germany/Austria during the 19th century.

Consequently, these territories become central interfaces in enabling the integration of both railway system types on the Eastern shore of the BSR.



The Øresund-bridge for both vehicles and trains (below) is an important link in the TNT-network. Photo: Johannes Jansson/norden.org

The integration of the Eastern BSR railway networks is important on two main levels: first, to connect the main metropolitan areas (Warsaw, Vilnius, Kaunas, Riga, Tallinn and Saint Petersburg) and second, to act as an interface between 'continental Europe' and Russia.

The lack of North-South linkages in the Eastern BSR can be seen, in the main, to relate to the historical heritage of the region and to the 'divide and rule' Empire-building approach of the former Soviet Union: East-West linkages, connecting each Soviet republic to the central powerhouse of Moscow, were developed and inter-regional linkages very consciously avoided.

On the Eastern shore of the BSR, this results in a persisting lack of reliable, modern infrastructure, for instance double and electrified tracks, connecting the main cities.

These 'missing links' are well highlighted by visualising the frequency of transnational (i.e. crossing a national border) rail services between the BSR's main metropolitan areas (See figure 1).

Indeed, the figure clearly shows the still poor level of connectivity of the main metropolitan areas on the Eastern shore of the Baltic Sea, i.e. between Poland, the Baltic States, Western Russia and Belarus.

Table 1 provides further indications of the implications of the poor connectivity of the rail system on the Eastern shore of the BSR by assessing the time that it takes to travel between these cities.

The poor quality of the rail infrastructure in this part of the BSR and the lack of cross-border interoperability in respect of the existing track networks not only ensures longer travel times, but also necessitates a significant level of inconvenience for the traveller as multiple changes are often needed along these journeys. Currently travelling from Warsaw to Tallinn takes 40 hours and 6 changes to complete the journey.

The main problem related to rail infrastructure is witnessed between Poland, Lithuania, Latvia and Estonia. For the journeys between capital regions, bus connections are often faster, as, for

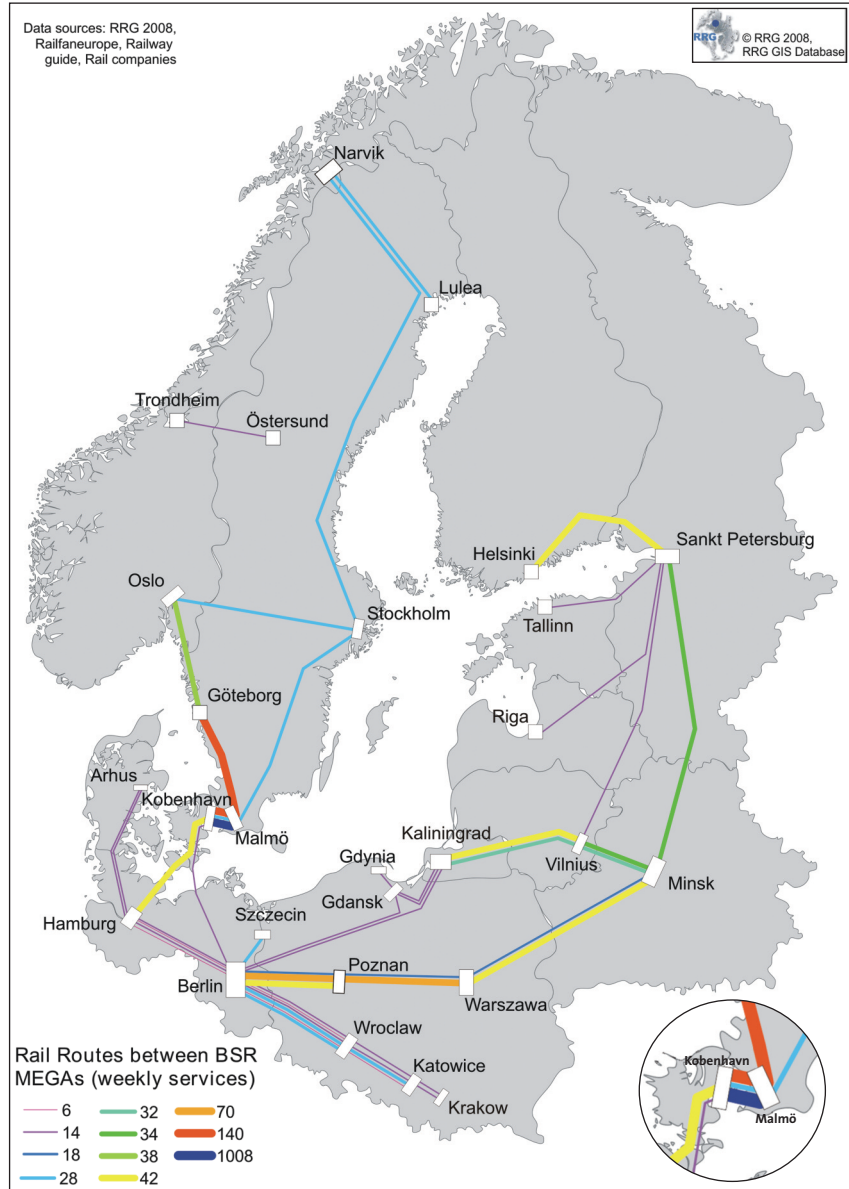


Figure 1: Route frequency on main cross-border rail connections in 2008 (weekly)  
Source: Deutsche Bahn (2008), RRG Spatial Planning Database

Shortest travel time between main BSR cities in Hours: Minutes		TO					
		Minsk	Vilnius	Kaliningrad	Riga	Tallinn	St. Petersburg
FROM	Warsaw	8:38 (3)	9:00 (Bus)	8:04 (1)	13:20 (Bus)	17:00 (Bus)	22:27 (4)
	Minsk	9:16 (0)	9:26 (2)		24:31 (4)	40:36 (6)	28:32 (0)
	Vilnius		4:30 (0)	11:03 (0)	24:32 (3)	41:18 (2)	13:33 (1)
	Kaliningrad			6:15 (0)	14:57 (2)	29:31 (1)	13:52 (0)
	Riga				4:20 (Bus)	34:26 (2)	13:08 (0)
	Tallinn				14:49 (1)	9:30 (Bus)	
	St. Petersburg				22:14 (2)	14:10 (Bus)	20:33 (1)
						41:20 (2)	25:21 (0)
					4:25 (Bus)	12:20 (0)	
					No train route	14:20 (Bus)	
						8:02 (0)	
						8:00 (Bus)	

Table 1: Shortest travel times between main cities on the eastern shore of the BSR  
Source: Deutsche Bahn (2008), Eurolines (2008)



Planned TEN-T rail network in the Baltic Sea Region.

instance, between Warsaw and Vilnius. There is still, to date, no train connection between Tallinn and Riga.

In an earlier report commissioned by VASAB (Nordregio *et al.*, 2000), it was noted that no train connection was available between these two cities in 1999: nearly a decade on the situation remains the same.

The second main dimension promoting the necessity for further integration of the railway networks on the Eastern shore of the BSR lies in its trans-continental nature. Indeed, the geographical position of the BSR reveals its role as a potential 'natural' hub, acting as an interface between Europe and Asia. In this regard, Saint Petersburg is a key centre as it

facilitates connections between the BSR and the greater Russian railway system and thus also to the countries of Central and East Asia.

This trans-continental potential is further enhanced by the importance of the Tallinn-Saint Petersburg railway corridor, to date the busiest section for freight transportation in Europe (Schmitt & Dubois, 2008).

In addition, the importance of Warsaw as a hub between the BSR railway system and the 'continental' European one (See figure 1), not only because of its relative territorial location in the BSR but also because it is connected to both gauge standards, reinforces the need to support an upgrading of the networks between

Warsaw and Saint Petersburg in order to better facilitate such trans-continental linkages.

The further integration of the railway systems on the eastern shore of the BSR has repercussions not only for the capacity to integrate further its regional economies and labour markets, but also in terms of the capacity of the BSR to act as a global player, acting as an interface region between Europe and Asia.

Yet, the persistence of structural deficiencies endangers the achievement of this potential. In this light, the completion of the TEN-T *Rail Baltica* project (See figure 2), running from Warsaw to Tallinn, needs to be recognised as a high priority project by the European Commission and the governments of the BSR countries.

Furthermore, it quickly becomes clear that the completion of the *Rail Baltica* project should be connected to future plans for the upgrading of the Tallinn-Saint Petersburg section of the network, which would ensure a good connection between the TEN-T and Russian networks.

More than an upgrade in reality, it is in fact only a complete renewal of the section of track to the European standard (1435mm), thus replacing the current Russian one (1535mm), that will ensure the future integration of Russia within a predominantly EU/EEA BSR region.

The author would like to thank Carsten Schürmann (RRG Spatial Planning) and José Sterling (Nordregio) for their support for the compilation of the empirical data shown in the present article.

By Alexandre Dubois  
 Research Fellow, Nordregio  
 alexandre.dubois@nordregio.se



# Exploring spatial integration in the BSR

Since the era of momentous geopolitical shifts at the beginning of the 1990s the Baltic Sea Region has re-emerged as a unified transnational macro-region. Since that time, and in line with further political integration, the expectation has been that increased economic, social and cultural cooperation would help to further exploit the BSRs underlying potentials. In other words, the intention is that the BSR should be able to mobilise its territorial capital in an integrative manner in order to become a stronger player in the realm of international territorial competition on the one hand while also reducing regional disparities within the BSR on the other.

In such a specific 'territorial' perspective cities, and in particular so-called metropolitan areas, can be seen as promising nodes of complex transactions in respect of economic activities, information, power, culture, and finally people with their specific knowledge and skills. In this sense they can be viewed as the main drivers of (transnational) spatial integration. So in this context the concept of spatial integration is linked to the actual (or potential) performance of territorial linkages at a larger geographic scale.

Spatial integration is then supported by specialised networks of e.g. cities as defined by common patterns of either material or non-material production. Trade and any other kinds of transactions (e.g. knowledge, labour forces, cultural heritage and institutional traditions) are based on complementarity, cooperation and finally, on trust.

As such, spatial integration could be understood as the sum of interactions among cities in a network, making them the drivers in a dynamic polycentric organisation. Moreover, these potential (or wishful) synergies and add-on effects can have positively influence an entire transnational macro-region, such as the BSR.

Nordregio's recently finalised study in the framework of the Interreg IIIB-project East-West Window ([www.vasab.org/east-west-window](http://www.vasab.org/east-west-window)) has revealed that the metropolitan areas in the BSR show some significant differences in terms of quantity but also, partly, in quality with regard to their

functions as potential internationalised drivers for spatial integration: Not surprisingly the transformation into global and European markets is apparently a long-term process. On closer inspection a number of promising potentials seen as critical in supporting the process of spatial integration can also be identified.

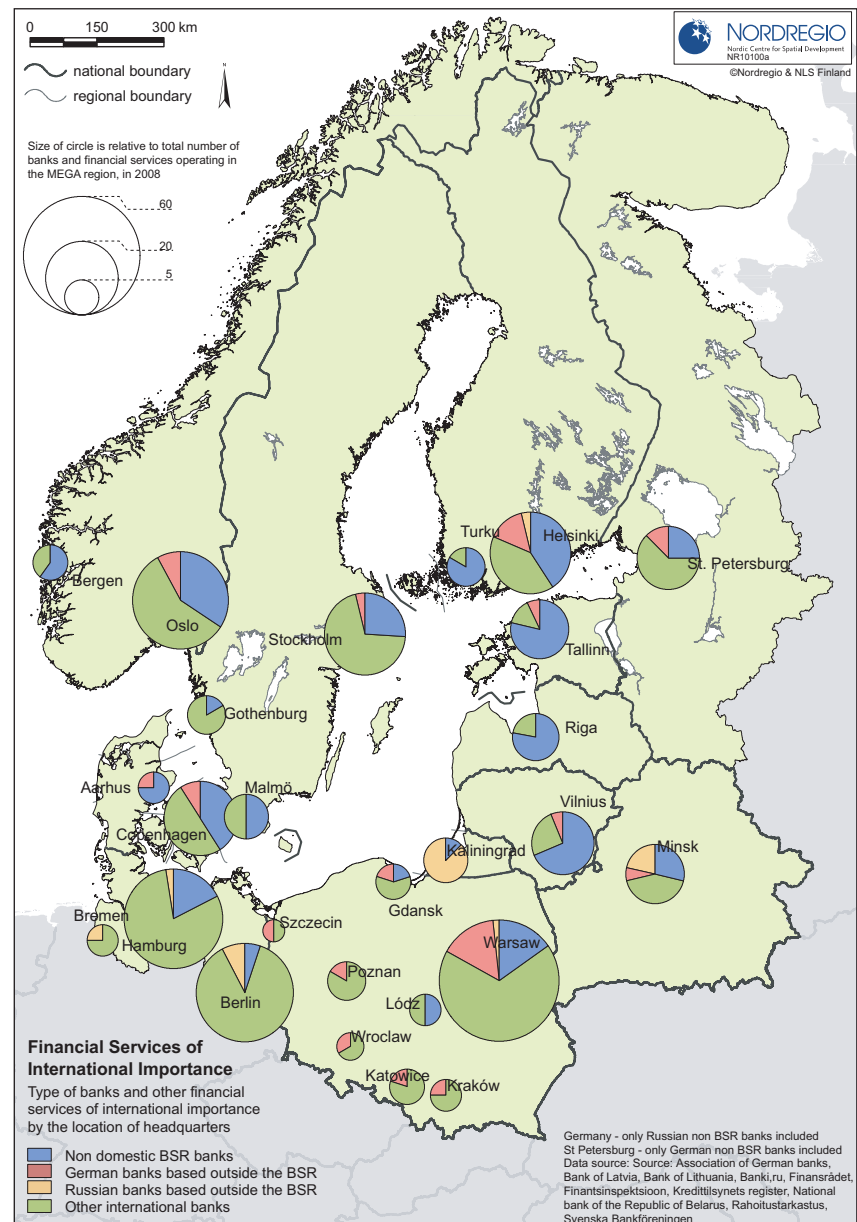
## International Financial Services

The study also indicates that international financial services have not thus far established a strong and cohesive network in the BSR particularly in respect of connecting the NW Russian metropolitan areas to the rest of the BSR. One exception here is obviously that of Warsaw, which has, in many respects,

caught up with some of its Western BSR counterparts such as Stockholm or Copenhagen. It is to be questioned, however, why international banks have not established office locations in Kaliningrad, Minsk or St. Petersburg.

This is, however, a huge and complicated subject. The issue boils down to (1) legal issues, (2) market dominance by Russian state run institutions and (3) the fact that profit opportunities in Russia – compared to elsewhere – are still seen from the outside as both risky and limited.

Due to the potentially enormous market size of the Eastern part of the BSR and the (in principal) growing markets there,



such an absence could be seen to impede inward investment. The current lack of such services can however be interpreted as an institutional barrier to the further exploitation of the potentially enormous market size of the Eastern part of the BSR and the fast growing markets there (cf. adjacent map).

This also includes additional services for international companies in order to ease their engagement into the BSR in general and its Eastern part in particular as such services are vitally important in developing a more balanced situation in respect of institutional, social and cultural proximity. The current 'credit crunch', which has seen a significant amount of

capital 'repatriated' from Eastern Europe, even to the extent that some countries in the region have opened discussions with the IMF, has simply exacerbated the prevailing situation further.

**International Political Institutions**

The analysis of the character of the location pattern of international political institutions further underlines this picture: At the BSR level neither Kaliningrad nor St. Petersburg are major spatial integration drivers. They are obviously more oriented towards their eastern hinterland giving the impression that the geo-political, institutional and psychological barriers remain in place. Overcoming these barriers remains a long

term and complex process which goes far beyond the spatial policy realm. Otherwise BSR-related political institutions are particularly located in Copenhagen, Stockholm, and Riga and to a lesser extent in Hamburg and Helsinki while EU-related institutions are present specifically in the three Nordic capital regions (Copenhagen, Stockholm and Helsinki) and in Warsaw.

Warsaw also seems to be the most important centre in respect of UN-related institutions in the BSR. In conclusion then, it is clear that the metropolitan area of Copenhagen contains the broadest representation of such international organisations while also having the most diversified profile in this respect (cf. adjacent map).

**Potential Talents**

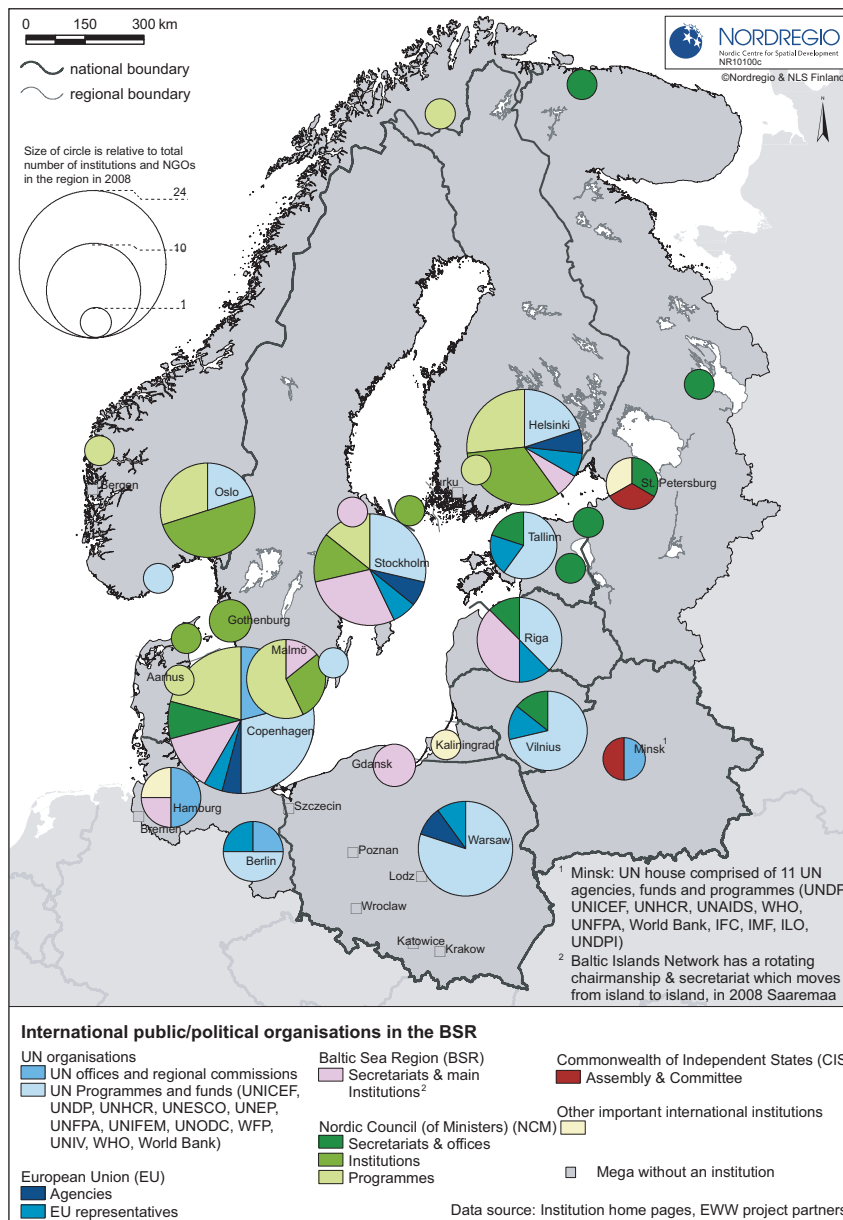
Concerning the analysed indicators on innovation, research and development we can conclude that the East-West divide is somewhat narrower than the illustrated examples above. Here numerous competences and significant potentials exist given the high critical mass of talented and creative employees and the strong research profiles across the BSR.

This particularly relates to the number of postgraduate students ( Masters or PhD students) as a share of all tertiary level students belonging to levels 5 and 6 of the International Standard Classification of Education (ISCED) designed by the UNESCO (see map p.28).

What is striking however is the number and share of those students (related to all tertiary levels) in the Polish metropolitan areas. Obviously there are a number of attractive research facilities here which are able to hold or even attract qualified persons.

Other eye-catching centres in the BSR include St. Petersburg and Stockholm, whereas the Finnish metropolitan areas of Turku and Helsinki show lower overall numbers, but a high share of post-graduate students as a proportion of all tertiary level students.

Compared to their overall size as working places the absolute numbers of Warsaw in particular but also Minsk, Vilnius and to some extent even Riga are relatively high,



whereas the overall numbers for Hamburg, Copenhagen and Oslo are rather low in this respect.

### Intellectual property rights

With regard to the degree of internationalisation one specific indicator was considered here, namely 'applications of patents to the European Patent Office'. The level of performance, in terms of the 'ambition' to secure intellectual property rights for European markets, of the Eastern BSR metropolitan areas remains, however, rather weak. It is not necessarily the shortcomings in respect of the regional innovation systems (e.g. infrastructure, R&D expenditures) which have to be stressed here but rather institutional and perhaps also cultural traditions, which in the long run often perpetuate the disconnectedness of e.g. the Baltic States with the rest of the BSR.

### Gateways

We also considered several classical transport aspects with regard to the international functioning as 'gateways to markets and people' of more than a dozen metropolitan areas around the Baltic Sea. Their performance is in this respect dependent on the size, the capacity and the actual services that are carried out by the available infrastructures (cf. the contribution by Alexandre Dubois in this issue). Here significant contrasts could be detected while numerous bottlenecks remain to hamper the smooth flow of people and goods within the BSR and beyond.

We should, however, also bear in mind that current air transport patterns are historically rooted and remain dependent on the long term strategies of airlines and of course their commercial viability in the highly competitive market for air

transport. Current patterns in respect of sea transport, roads and rail have also been developed over a number of decades. As such, complete integration and the removal of all bottlenecks would be hugely expensive and is thus highly unlikely in the medium term. Nevertheless, when taking into account the prevailing settlement patterns and regional structures in the BSR, we should also bear in mind that proposing additional and highly costly large-scale infrastructures in order to balance these disparities could lead to a ruinous competition and, from a purely BSR perspective, to the playing out of a zero-sum game.

### Going beyond geographic proximity

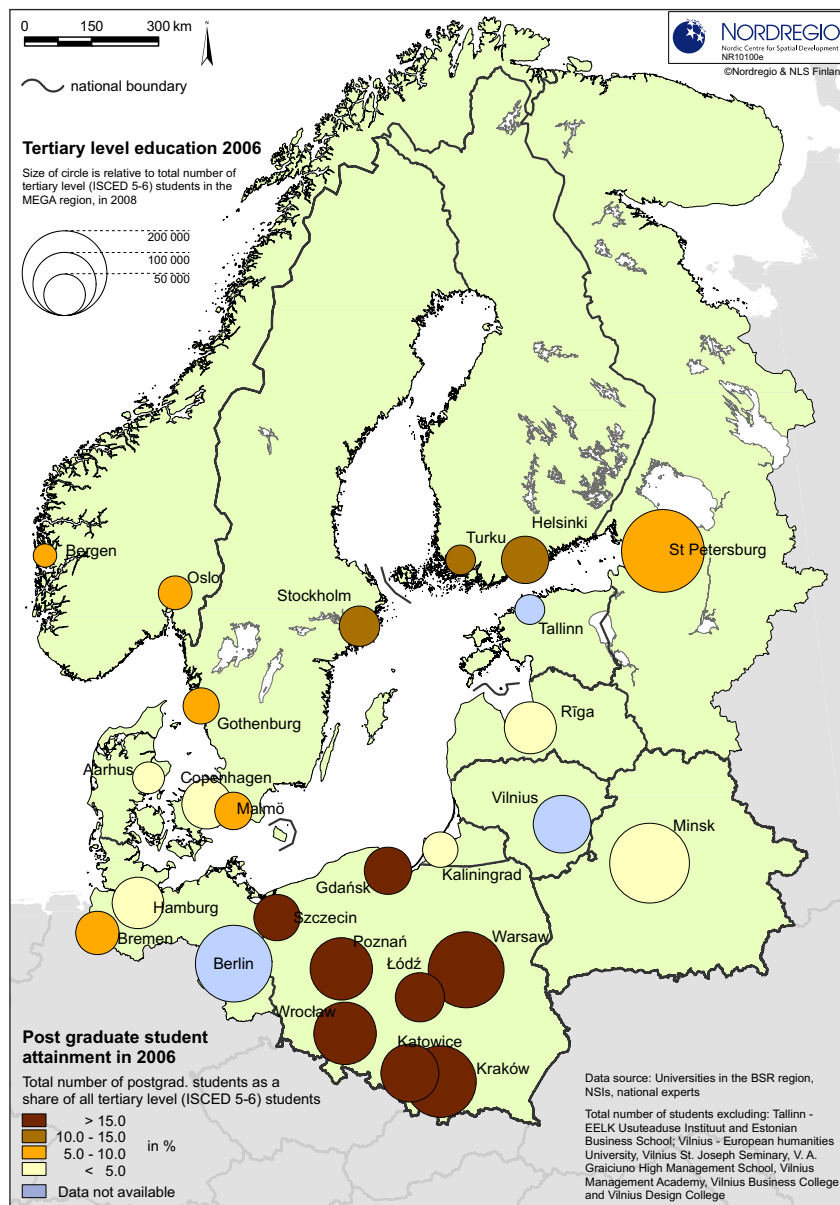
We can therefore conclude that political stakeholders have to understand that if the balanced and sustainable spatial integration of the BSR is to be achieved, the metropolitan areas themselves must play a key role.

Their specific international functions should be enhanced in order to support the flow of people, ideas, projects and knowledge as well as their financial capital and the goods and services they produce. These functions and potentials as well as the urgent problems faced have to be better understood at the political level and disseminated beyond that in order to ensure that such knowledge becomes the stock of an effective shared store of transnational understanding. As such then new Pan-Baltic concepts are needed to better position the BSR's metropolitan areas in terms of the ongoing international competition for 'creative people', investment, first-class infrastructure programmes and events.

Without doubt thinking about the need to better exploit the region's territorial capital as well as improving the degree of spatial integration, challenges both our perceptions as well as many of our policy-making assumptions.

Central to this, however, is the fact that not only is investment in physical infrastructure projects to improve the geographic proximity of the many cities and regions needed but rather more importantly perhaps, institutional, organisational and mental proximity related questions must also be addressed.

As the examples here have indicated the need remains for reliable business transactions thus necessitating the creation of



corresponding institutionalised frameworks. Indeed, it appears that the creation of these frameworks is at least as important as the need to overcome the problems associated with distance. Only then can the BSR's territorial capital be fully exploited.

#### VASAB

VASAB is an intergovernmental network of 11 countries of the Baltic Sea Region and other pan-Baltic organisations promoting cooperation on spatial planning and the development. Its role is to pinpoint the enormous potentials with regard to further spatial integration, while at the same time promoting improvements in the institutional, and organisational structure of the region and in its mental proximity.

Due to the fact that spatial planning (and the responsible ministries in the BSR) in general, and the mandate of VASAB in particular, is integratory or coordination-based in nature, their tool box is thus rather limited as regards their ability to actually implement concrete incentives. Therefore they need to establish strategic alliances with those policy-makers dealing with sectoral issues (e.g. higher education, research, transport, ICT, energy etc). Only with their support and their sound financial backing can such strategically integrative concepts as the Long-Term Perspective (and perhaps also the EU Baltic Sea Strategy) become more than another paper tiger.

Peter Schmitt, Senior Research Fellow,  
 peter.schmitt@nordregio.se



Johanna Roto, GIS/Cartography  
 Coordinator, johanna.roto@nordregio.se



## Future for BSR-renewables

■ In light of the current debates raging over climate change and the related policy responses to be adopted for its mitigation, renewable energy has emerged as the centrepiece of future energy strategies of both the European Union and its individual Member States.

The term 'Renewable energy' actually encompasses a rather heterodox set of energy sources which have in common only their capacity to regenerate either naturally or by human intervention: water, wind, biogas, primary solid biomass, solar photovoltaic, liquid biofuels, municipal and industrial wastes etc. Renewable energies are essentially used in the production of electricity and heat.

For the European Commission, the future development of the production of renewable energies is important for three reasons (European Commission's homepage, 2008):

- Renewable energy has an important role to play in reducing Carbon Dioxide (CO<sub>2</sub>) emissions - a major Community objective.
- Increasing the share of renewable energy in the energy balance enhances sustainability. It also helps to improve the security of energy supply by reducing the Community's growing dependence on imported energy sources.
- Renewable energy sources are expected to be economically competitive with conventional energy sources in the medium to long term.

The importance of renewable energies can thus be summarized in two points. First, the production of locally based renewable energies aims at bolstering energy independence by reducing the need for energy imports. The second point relates to the challenges linked to climate change: the production and consumption of renewable energies are deemed to have lower impacts on the environment than carbon-based energies (coal, oil, gas etc.).

Being strongly dependent on the availability of specific renewable resources, the production mix of renewable energies differs significantly between individual regions and countries. Figure 1 provides a synthesis of this 'renewable energy production mix' at the national level.

The Russian Federation is the largest BSR producer of electricity and heat originating from the exploitation of renewable energies with a production total of more than 200,000 Gigawatthours (GWh). This figure should however be put into perspective: while Russia is the largest country (in terms of area) in the world and is also one of the world's largest producers of energy the share of renewable energies in the Russia energy production mix is almost negligible.

The largest producers of renewable energies after Russia are, respectively, Norway (139,466 GWh), Sweden (115,189 GWh) and Germany (86,463 GWh). Other BSR countries have a much more limited production of renewable energies. The smallest producer of such energies is Estonia, with a production of 1,182 GWh.

An interesting feature displayed in figure at the p. 16 is the composition of the production mix of renewable energies in each country. In this regard, one can identify three main categories of countries.

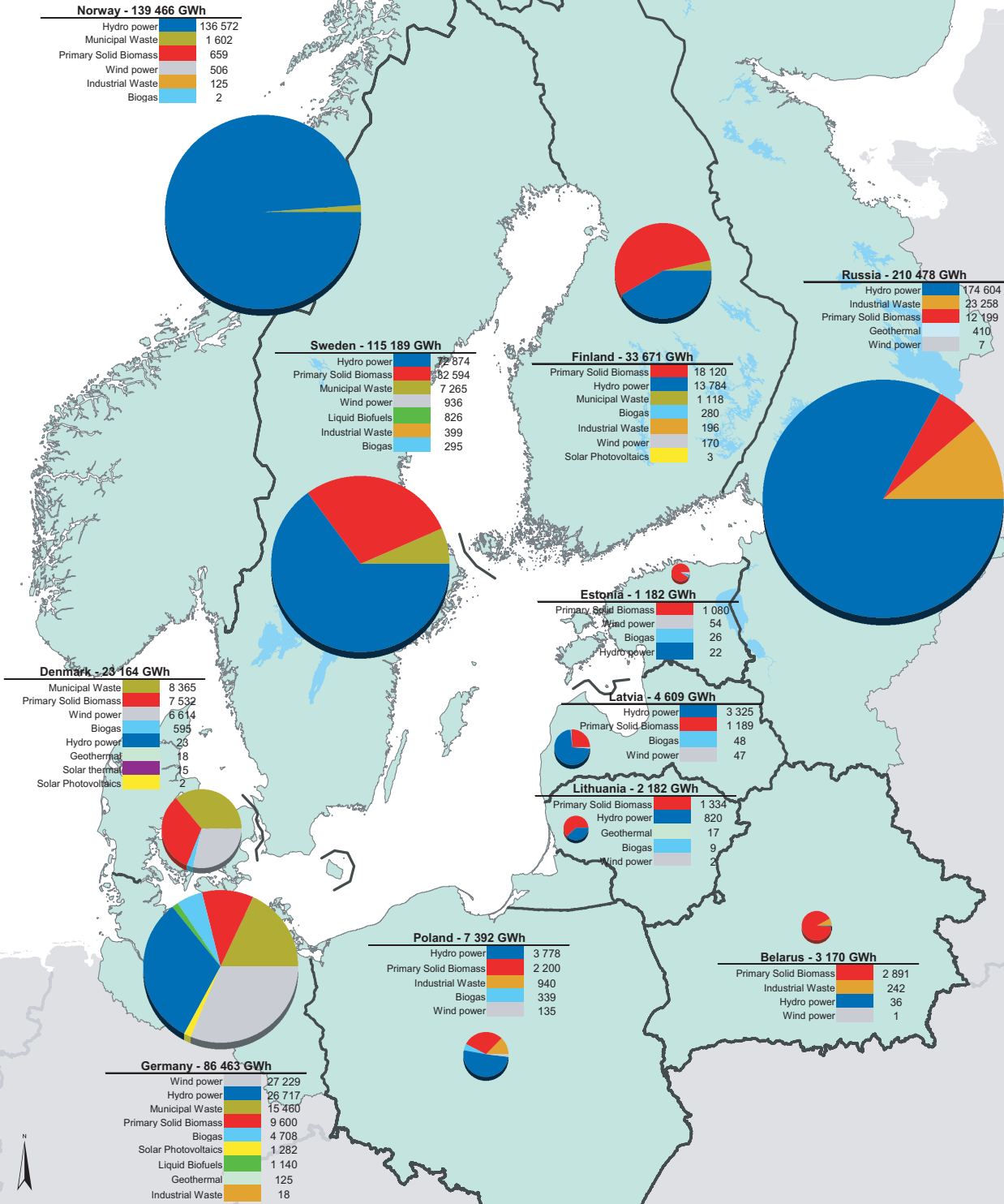
The first category comprises those countries that have hydropower as the dominant form of renewable energy. Norway, Russia, Sweden and Latvia belong to this category, making use of their extensive resources in terms of river basins.

The second category consists of those countries where primary solid biomass is the dominant contributor to the production of renewable energies. According to the International Energy Agency, solid biomass is "defined as any plant matter used directly as fuel or converted into other forms before combustion", including wood. Finland, Estonia, Lithuania and Belarus belong to this category. It is worth noting that Sweden also produces solid biomass amounting to one third of its total production of renewable energies.

The third category consists of those countries that have no dominant form of renewable energy, thus showing a more balanced production pattern. Germany, Denmark and Poland belong to this category. The production of renewable energies for the generation of electricity



### Production of renewable energies for heat and electricity by type, in Gwh (2005)



Statistics at national level, also for Germany and Russia  
Source: IEA - International Energy Agency



Country	Total, in 1000 toe*	Total primary energy supply % generated from source						Indigenous total energy production in 1000 toe*	National energy dependency % in 2005
		Oil & Gas	Coal & Peat	Nuclear power	Renewables	Electricity	Heat		
Denmark	20933	61.1	26.2	0.0	15.6	-2.8	0.0	29572	-51.6
Estonia	4888	31.7	58.8	0.0	10.9	-1.3	0.0	3561	25.8
Finland	37435	38.6	19.7	15.9	23.1	2.6	0.1	18045	54.7
Germany	348559	58.2	23.6	12.5	6.1	-0.4	0.0	136757	61.6
Iceland	4325	22.9	1.8	0.0	75.3	0.0	0.0	3259	28.8
Latvia	4614	62.4	1.9	0.0	31.0	4.7	0.0	1845	56
Lithuania	8542	59.1	3.2	26.9	9.2	-0.4	2.0	3483	58.4
Norway	26090	52.2	2.7	0.0	44.7	0.3	0.1	222939	-609.1
Poland	97717	36.8	58.5	0.0	5.7	-1.0	0.0	77884	18
Russia	676196	73.6	15.8	6.1	3.4	-0.2	1.3	1219975	
Sweden	51308	30.2	5.2	34.0	29.0	1.0	0.6	32787	37.2

Production of energy in the Nordic Countries by type, in 2006. Oil and gas include crude oil, petroleum products and natural gas. (\*toe = ton oil equivalents.)  
 Source: Eurostat, International energy Agency (2009) Totals may not add up due to rounding.

and heating in Denmark originates from three, rather equal, sources: the combustion of municipal waste, the combustion of solid biomass and the conversion of wind energy; the first two are essentially for heating purposes, and the latter exclusively for electricity.

It is also worth highlighting the global significance of Denmark in respect of wind power generation as it is one of the top five worldwide producers along with Germany, Spain and the USA (EIA homepage, 2008). The Danish case is remarkable considering the size differences in relation to those countries in terms of population, area, economy, and other indicators. Never-theless, Denmark has developed a long-standing capability in this technology class and a knowledge platform that can be taken as an example of good practice on the BSR scale.

In Germany, two sources of renewable energy constitute more than 60% of the total national production of RE: Wind energy and hydropower. In absolute terms, Germany is the largest producer of wind energy and has developed an extensive park of windmills, not least on its North Sea coast. The combustion of municipal waste is also a well developed source of energy production, constituting approximately 20% of the total national production of RE.

Finally, the Polish production of renewable energy originates, in the main, from hydropower (nearly 50%) and solid biomass. In absolute terms, the total

Polish production of renewable energies is much lower than the German and Danish levels.

Future cooperation between BSR countries on the topic of renewable energies should not only focus on the differing potential levels for their production, but should also emphasise the diversity of needs relating to the consumption pattern by sector (transport, residential, industrial etc.,).

The future perspectives for the existing Baltic Sea Region Energy Co-operation (BASREC), a formal collaboration of energy ministries of the BSR countries, should underline the need for both infrastructure investment enabling the physical connection of the various national systems and regulatory improvements supporting the development of an integrated supply-and-demand energy market around the Baltic Sea. The Nordic cooperation process Nordel is, in that sense, a useful blueprint for BASREC.

Finally, the territorial dimension of the development of renewable energies could be seen as the necessity to better exploit the territorial energy capital of each region. The coasts of Poland and the Baltic States are still lacking major investment in wind power stations. In this regard, a closer partnership between these countries, Germany and Denmark, which are the European leaders in this field, is advisable.

The Baltic States currently do not effectively utilise the potential contained in the municipal and industrial waste

sector to produce energy: developing such systems would ensure less energy dependency and better environmental conditions.

In Sweden and Finland, the development of further energy production schemes such as wind power and geothermal energy should be promoted, taking advantage of the large open spaces available in those countries.

By Alexandre Dubois  
 Research Fellow, Nordregio  
 alexandre.dubois@nordregio.se



José Sterling  
 Research Assistant, Nordregio  
 jose.sterling@nordregio.se



## - Yes and no to EU

Riga in February: The Central Market is quiet: - In fact is far to quiet, explains the veteran meat seller Galina Almakova; - Trade it is down by half compared to just a few months ago. People have less money and most go for the simplest meat which costs less, she adds.

Some five years ago Latvia joined the European Union: - As a whole that has been good. In particular it has given people the ability to travel and work abroad, is the opinion of Galina Almakova.

Valija Kalveite, a seller of the famous Latvian version of sauerkraut (*skābi kāposti*) in the neighbouring hall at the huge market, has a different view however: - Take sugar, for example, which we used to produce ourselves in Latvia, excellent quality, but now we have to import it from other member-states. In fact we also get goods from Estonia and Lithuania. No, I do not like this development, we should look to our own producers, she adds.

Compared to that of other delights the sale of *skābi kāposti* has not been affected by the downturn, notes Valija Kalveite. In that respect she is one of the few not seriously impacted by the economic crisis. For most people the situation has however grown considerably worse since autumn 2008. Unemployment which was 5.6% in October reached 8.3% in January, and the trend continues. By 2010 it may reach 15%.

Aivis Zapareckis is the trucks sales and marketing manager of *Domenikss Ltd*, who are the agents for Mercedes-Benz in Latvia. He summarizes the country's current economic development thus:



Aivis Zapareckis of Mercedes-Benz



Valija Kalveite (right) with the famous Latvian version of sauerkraut (*skābi kāposti*) does not need the Europe

- Over the last three years we saw tremendous growth. Both in the sale of passenger cars and in real estate which really exploded and was to a large extent fuelled by the banks, which were ready to provide easy credit. But now the economy as a whole has come to a crashing stop.

The ongoing crisis has of course also hit the sale of new trucks: - In January this year we sold 28, while in January 2008 we sold 236. It is the same for all others in this line of business, he adds.

Latvia is in many ways a transit country for the European Union's trade with Russia. Many trucks come with the

ferries from Lübeck or Rostock in Germany to Latvia's harbours. On the ferries the drivers can rest before they continue. Most important however is the fact that they do not have to go through Belarus and spend several extra days at an additional border-crossing.

- Nevertheless, to cross from Latvia to Russia is in itself very time-consuming. Last summer we sometimes had 40 km long queues at the border. That is approximately one thousand trucks, explains Aivis Zapareckis. - However, while the border-crossers had to wait two or three days before Christmas in 2007 in 2008 it took less than a day. Russian stocks were obviously full.



an Union. Photo: Odd Iglebaek

- I really think the European Union must make a political effort to ease border-crossings with Russia. This would be an important step in improving trade including the sales of trucks. No less than 70 percent of all trucks sold in Latvia are primarily used for the long-distance haulage to-and-from Russia, underlines Aivis Zapareckis;

- One of the important benefits of EU membership is the ability it brings to cross borders quickly. This is a positive benefit to business. In line with this, I think that significant effort should be put into creating a motorway from Helsinki to Berlin. That would really be progress, he adds.

During 2006 and 2007 the Latvian housing-market was characterised as a 'sure investment'. Prices increased by 15-20 percent in one year particularly in the most attractive parts of Riga, currently however, hardly any buyers can be found in the housing market.

Of the population as a whole it is the farmers who are perhaps worst hit. Many have borrowed heavily in recent years in order to expand their production – mostly for export. Recent devaluations in Poland and Russia have however made Latvian agricultural goods relatively expensive in their primary markets. The price of milk, which accounts for 60 percent of farm

sales, has been reduced by close to 50 percent, according to the *International Herald Tribune*. In addition some Latvian farmers' representatives claim they have been undercut by low-cost imports from other EU-members like Germany, which they say provides greater subsidies to their farmers. (IHT 26/02/09)

During January and February 2009 Riga experienced angry demonstrations primarily by industrial workers and farmers. As in Iceland, their demands were that the government should vacate office. By February 20th their wish had been granted.

By Odd Iglebaek

# EU Cohesion Policy Crisis in Latvia

In 2008, the Latvian economy been stricken by a grave crisis. According to a flash estimate by the Central Statistical Bureau of Latvia, in the 4th quarter of 2008 the value of Latvian gross domestic product decreased by 10.5%, compared to the previous year. In the 4th quarter 2008, the decline in economic development in the industrial and the services sector reached a scale unseen since the collapse of the USSR. The volume of manufacturing suffered a decline of 11.3%, retail trade declined by 15.6%, while hotel and restaurant services saw a reduction of some 24.8%.

Meanwhile, looking forward to 2010-11, the forecast prognosis from the financial sector is that Latvian GDP will return to the levels of 2006 or 2005.

Considering that Latvia entered the EU in May 2004, the return of GDP to the 2005 level within a year or so gives ground for significant doubt as to the efficiency of EU cohesion policy and raises a number of questions about the utilization of EU payments, compensations, structural funds and cohesion funds, the allocation of which has not – in the context of the current economic crisis - stopped Latvia from returning to the position it was in before receiving cohesion funds and EU resources.

No precise estimate is currently available as to the total application of EU funds. According to data from the Ministry of Agriculture, in the 2005–2007 period 229.19 million lats had been disbursed to farmers in the form of direct payments, of which 55.4% or 127.05 million lats were financed from the EU budget. Latvia also benefited from considerable export subsidies.

Cohesion policy was, in principle, ensured by EU Structural Funds and the Cohesion Fund. According to the 28th Report of Economic Development of Latvia published by the Ministry of Economics, the financing amount from the EU Structural Funds is 75%, while 25% comes from the state budget and budgets of the local governments.

Total financing accessible to Latvia under the framework of the Structural Funds

programmes in 2004–2006 amounts to EUR 845 million (EUR 625 million from the EU Structural Funds and EUR 220 million from the state budget).

The total financing from the Cohesion Fund available for Latvia in the period 2000–2006 amounts to EUR 710 million, of which EUR 310 million comprise the financing for projects currently under implementation (former ISPA projects). EUR 435.9 million or 61.3% of the total financing from the Cohesion Fund had been requested from the by March 31, 2008.

This means that the total application of EU Structural Funds and Cohesion Fund financing, summed with additional financing from the EU and the Latvian state budget certainly exceeds 1 billion euros, not including agriculture support money export subsidies etc., the inclusion of which would make the sums far greater.

How then is it that Latvia is about to return to the same position it was in after entering the EU? What has happened, can it be defined as a cohesion policy crisis, and have the mechanisms that were supposed to facilitate the levelling-out of differences in regional development levels simply failed to work or perhaps even produced results contrary to those intended?

In 15 scientific publications between 2004 and 2008 the current author undertook a number of analyses of the principles of territorial distribution employed by a number of the structural funds. The results obtained show that the funding distribution approaches of Latvia and of the EU fundamentally differ.

Latvian state budget funding for investment in municipal infrastructure development for 2001 – 2004 was distributed evenly, allocating resources to both developed and less developed territories. State budget funding for investment in municipal infrastructure development in 2001 – 2004 was, however, aimed not at supporting all less-developed territories, but rather at supporting prospective development centres in the least developed parts of the country.

The distribution of funds for the programme, “Development of Water Management Infrastructure in Populated Areas where the Number of Residents is up to 2000” corresponds to a policy of financial support for less-developed territories.

Territories with nature protection among their development goals had greater opportunities to attract EU structural funds by using the programme, “Water management infra-structure development in settlements with population below 2000”.

The grant scheme, “Support to investment in business development in specially supported territories” is used to increase support both to less-developed territories and to prospective centres of development in specially supported territories.

The territorial distribution of funding administered by the Latvian Investment and Development agency is aimed at increased support for the most highly developed territories of Latvia.

One of the conclusions reached after examining the principles of funding allocation was the low level of coordination between various programmes, as a result of which the funds of some programmes are directed towards supporting less-developed territories, while those of others are allocated to the most developed part of the country, thus increasing regional disparities.

Research conducted during the period 2004–2008 was however focused on funding applications. It is necessary now however to inquire into the results of funding applications.

Why has cohesion policy in Latvia brought no significant results, even if it is to be admitted that EU support did indeed reach less-developed areas?

One of the answers has to do with the prevailing business and economic conditions in Latvia after EU accession. In 2004, Latvia witnessed a boom in real estate trading and construction. Real estate prices kept increasing by 20–30% per year.



Latvia, Riga, 20 March 2006. A disturbance arose at the doors of the main office of the Latvian Investment and Development Agency. The reason was an announcement that EU Structural Funds money was to be allocated in accordance with the order in which the applications were submitted. A queuing system was not put in place thus three alternative lines were formed; the friction between these lines caused an eventual blockade of all the various institutions and enterprises located in the building. Later the municipal police brought order to the queues. Photo – Aigars Egīte, Neatkarīgā.

A similar rise was to be witnessed in the costs of construction. Investment in real estate development in 2005 was bound to bring a profit rate of 100%. As a result, investment in less-developed territories resulted not in the attraction of additional finance for the development of the region in question but instead allowed the EU funding recipients to invest personal funds in real estate speculation in Riga and its locality.

The continuing investment in infrastructure at a time when construction costs grew by tens of percentage points year on year however contributed to an even greater increase in demand and thus to the eventual overheating of the economy. To a great extent, the implementation practice of EU cohesion policy in 2005 – 2008 stimulated the overheating of the Latvian economy and the growth of the bubble in real estate speculation and credit. Now is the time to evaluate the cohesion policy. In the light of what subsequently transpired conclusions must be made and the support policy adjusted.

One of the first suggestions would be to minimize help in the form of direct payments. There is reason to think that such support, rather than contributing to investment in less developed territories, actually becomes an instrument for investing the funds made available in projects with a higher profitability rate. To some extent, this has already been experienced in programmes operative up to 2013 by increasing the amount of infrastructure projects.

The second recommendation would be to consider that the most appropriate time for implementing massive infrastructure improvement projects is one of economic recession (the counter-cyclical argument). The implementation of large-scale infrastructure projects during a construction boom only overheats the economy.

Thirdly, one of the aspects in which regional disparity is most highly visible in Latvia is in unequal access to information. Projects must be financed that help to breach these information and

experience barriers by investing in educational development and in offering informational support to problematic regions as regards both national programmes and the opportunities offered by the EU.

By Juris Paiders, Dr.geogr,  
 Deputy editor in chief „Neatkarīgā Rīta Avīze” (Independent Morning Paper).  
 jpaiders@nra.lv



# EU and Polish Regional Policy

Poland's regional policy has following the country's accession to the European Union, undergone a remarkable transformation. The change in public intervention standards emerged as a direct result of the adoption of the EU Cohesion Policy and Structural Funds' operative regulations.

Since 1 May 2004 the entire territory of Poland was granted Objective 1 status, which marks out the lagging behind areas in terms of socio-economic development. In the period 2004-2006 Poland received about 12.8 billion euro (fixed prices as of 2004) from the Structural and Cohesion Funds in the form of six operational programmes. One of these programmes was the Integrated Regional Development Operational Programme composed of sixteen regional segments implemented by the regional governments.

2007 brought significant programming modifications to the EU financial aid regime within the framework of the Cohesion Policy. In the new array of policy objectives the Convergence objective received an allocation of 81.5% of the Community funds. In addition, Poland became eligible for the European Territorial Cooperation objective.

The total earmarked transfers to the country resulting from the new Cohesion Policy in the years 2007-2013 total some 59.5 billion euro in fixed prices as of 2004 and 67.3 billion euro in current prices.

If complemented with two funds shifted to the sectoral policies, namely: the European Agricultural Fund for Rural Development and European Fisheries Fund, this allocation will grow by 13.2 billion euro and 0.7 billion euro respectively (in current prices). Such an amount denotes the largest EU assistance envelope in the history of the Community, as average annual transfers are equal to 4% of Poland's gross domestic product (GDP).

The Polish government took the decision to devolve implementation of the 2007-2013 Cohesion Policy. Regional governments were entrusted sixteen regional operational programmes co-financed from the European Regional Development

Fund. In addition, a majority of priorities and measures in the sectoral 'Human Capital' Operational Programme will also be implemented through a regionalised scheme.

Furthermore, responding to the burning structural problems in the eastern areas of the country, a dedicated operational programme was designed to serve the five poorest Polish regions.

The scheme, taken as a whole, oversees the most thorough-going attempt at devolution in the programming and implementation of the Structural Funds ever attempted in the European Union.

As an inheritance from the era of the centrally planned economy, Poland was left with old-fashioned and inefficient socio-economic structures but with relatively low regional disparity levels.

The trans-formation process towards the market economy, however, undoubtedly favoured the metropolitan regions as the centres of a multi-sectoral economy with well developed research, development and service facilities.

The period between 1997 and 2006 saw the economic convergence of the country boosted by 10 % measured in the GDP *per capita* - as compared with the EU average.

In the same period, both intra- and interregional disparities however became deeper. Warsaw's metropolitan region of Mazowsze (Masovia) recorded the fastest growth among EU NUTS 2 regions in this period with the GDP *per capita* index rising by 22%.

At the same time however the eastern Polish regions saw an increase of barely 2-4%. It is nevertheless important to bear in mind that all Polish regions have converged faster than the average EU trend.

The overall assessment of the current regional policy model in Poland provides that:

1. The policy reveals two particular dimensions: intra- and interregional, with a remarkable contribution of the Structural Funds to the shifting of focus in competences and resources towards intraregional policy;

2. It makes use of a quality-diversified set of strategic documents;

3. It is based on a somewhat thin legislative basis;

4. It is compliant with EU Cohesion Policy thus overseeing a transfer of modern knowhow in the areas of: programming, management, financing, monitoring, evaluation and project selection;

5. It has, to a lesser and lesser extent, a levelling character and instead addresses measures fostering the competitiveness of the regions;

6. It forms a solid component of national development policy, which promotes rigid domestic growth incentives;

7. It provides a rather complicated framework for operational actions by the regional governments.

This diagnosis exposes some key weaknesses in Poland's regional policy and points to the urgent need to tailor some of its essentials in a more appropriate way. The most important prerequisites in developing a better suited regional policy model from 2013 onwards stipulate that:

1. It is necessary to consider further solidification of the devolved policy model, as induced by the Structural Funds;

2. It is recommended that the relationship between state government representation in the region and the regional government is clearly defined. The current arrangement often produces competence conflicts, undesirable overlapping and duplication of effort, as well as the intrusion of politics into the decision-making processes;

3. It is necessary to define the feasibility of setting the regional policy in the context of territorial scales such as: macro-regions, metropolitan areas, sub-regions and territories of shared development challenges. The solutions devised thus far do not facilitate collaboration between the involved regional governments while actually hampering policy-response actions;

4. It is necessary to broaden the spectrum of available regional policy instruments. This postulate applies in particular to the establishment of various development support funds and agencies as well as to the triggering of cooperation networks, partnerships and development pacts;

5. It is necessary to eliminate inconsistencies in the shaping of individual regional policy segments with regard to the model as a whole as well as with the instruments and the coordination of the development processes;

6. It is necessary to further develop a research base for the result-oriented evaluation of regional policy and thus for the calibration of its model. For this purpose both macroeconomic modelling at the national and regional levels and the upgrading of evaluation to become a public policy assessment tool ought to be considered;

7. The identified weaknesses in the legal foundations of regional policy in Poland need to be remedied through the reconstruction of the policy's institutional system. The content-related, financial and organisational dimension of necessary actions determine the complexity of this task;

8. It is necessary to define an optimum model for Poland's regional policy in the post-aid period, that is to say, when the country is no longer a beneficiary of the EU Cohesion Policy in its current form.

Discourse about the future regional policy model in Poland may be easier if clear expectations are voiced with regard to legislative and institutional solutions.

While a complete list of such expectations is not feasible at this stage, some postulates refer to an opportunity to explore the potential of the Polish regions for: stimulation of the socio-economic development of the country, setting a multi-year time horizon for programming and financing of regional development measures, devolution of the public finances system through a transfer of more resources from the state to the regional budgets, enhancing a civil society designed to encourage and produce a more professional and a less politically-saturated regional policy-making approach.

The modernisation of the Polish regional policy system undoubtedly then remains one of the most significant national challenges in the economic and public administration fields in the coming years.

By Jacek Szlachta,  
Profesor Warsaw School of Economics  
jacek.szlachta@aster.pl

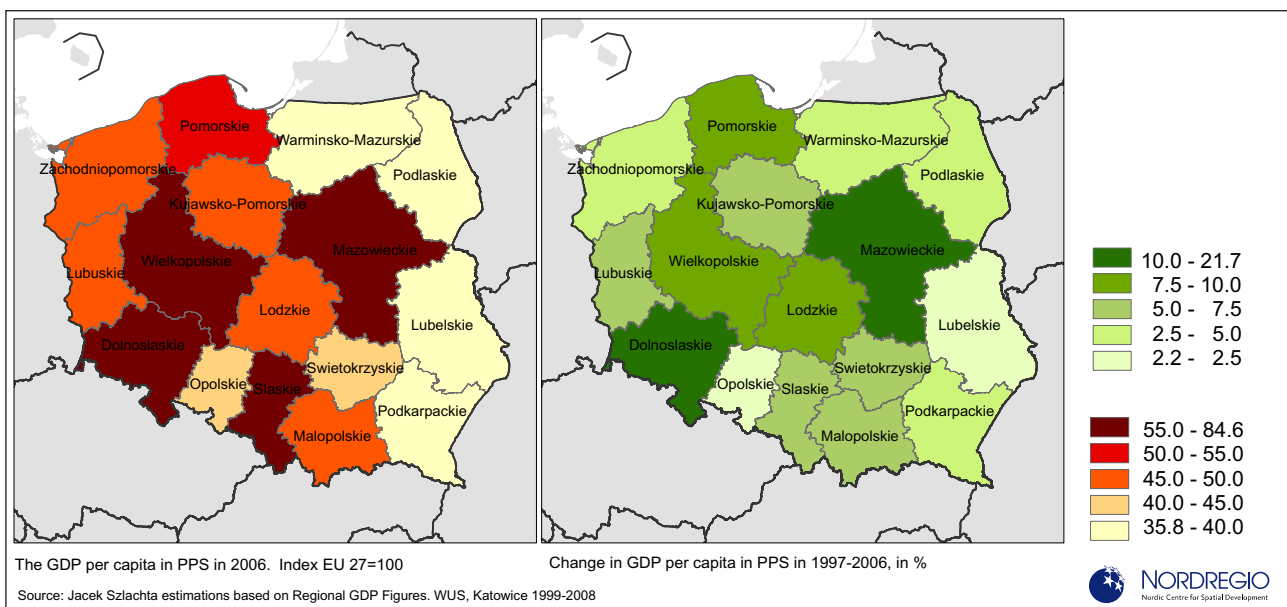


## Regional differences

Table 1 The gross national product *per capita* by purchasing power parity in Polish NUTS 2 regions in 1997-2006 (UE 27=100)

Region	1997	2006	Change
Mazowieckie	62,9	84,6	21,7
Dolnośląskie	46,0	56,7	10,7
Śląskie 49,9	56,2	6,3	
Wielkopolskie	46,3	55,8	9,5
Pomorskie	43,5	52,2	8,7
Łódzkie	39,0	48,8	9,8
Zachodniopomorskie	44,3	48,3	4,0
Lubuskie	40,5	47,1	6,6
Kujawsko-Pomorskie	39,0	46,3	7,3
Małopolskie	39,0	45,9	6,9
Opolskie	40,1	42,6	2,5
Świętokrzyskie	33,3	40,3	7,0
Warmińsko-Mazurskie	35,2	40,0	4,8
Podlaskie	35,4	38,9	3,5
Podkarpackie	33,4	36,2	2,8
Lubelskie	33,6	35,8	2,2
<b>Poland</b>	<b>44,2</b>	<b>53,0</b>	<b>8,8</b>

Source: Own estimations based on: Produkt Krajowy Brutto. Rachunki Regionalne (Gross Domestic Product. Regional Figures), WUS, Katowice 1999-2008.





The Southern railway station in Kaliningrad - the way to Russia. Photo: Denis Sechkin

## Kaliningrad: the favorite or stepchild?

At the beginning of the 1990s the Kaliningrad region became the object of a number of specific concerns. These concerns eventually became rooted in the mythology of the Soviet past and in the nightmares of its Baltic Sea Region neighbours, but frankly speaking there remain more “minuses” than “pluses” in the geopolitical situation of the Kaliningrad region.

Yes, it's true – Kaliningrad possesses 90% of the world's amber stock. This could be a powerful argument if we were speaking about uranium or hydrocarbons but amber necklaces, sadly, are not a key commodity in the global economy.

Yes, it's true – Kaliningrad is a Russian ice-free port. But the cargo from mainland Russia to/from the Kaliningrad Region is shipped by railway in transit through Belarus and Lithuania.

Yes – Kaliningrad is a “gateway to Russia”. But “the gates” are too far away from “core Russia”. As such, the extension of interaction is possible only through the promotion of special non-market incentives.

Yes, it's true – Kaliningrad is a Special Economic Zone (SEZ). But SEZs already represent a serious departure from market mechanisms compensating for the reality of the geographical remoteness of the Kaliningrad Region (from the core of Russia). Customs and tax privileges relating to the Kaliningrad Region reached 42% of Kaliningrad's GRP.

Yes, it's true - Kaliningrad is used to being called a “Russian exclave in the centre of Europe”.

But “the centre” itself is the real problem. The neighbours of the Kaliningrad region themselves do not enjoy a particularly high level of development. The weak situation of Kaliningrad is additionally compounded by the fact that it borders on the least developed regions of Poland and Lithuania. The local neighbourhood as such which Kaliningrad finds itself in does not really stimulate development.

Another pervasive myth is that the problems of the regions were initiated by the collapse of the USSR. The reality is they emerged precisely at the end of

the Soviet period. Currently the region still fundamentally depends on imported raw materials and foodstuffs. In addition the exporting capacities of the region around Kaliningrad remain limited.

The main domestic myth is the assured belief of the majority of the people of Kaliningrad in the distinctive peculiarity of their region. Are there any reasons for this? The short answer is yes.

It is the only Russian overseas territory. After the collapse of the USSR its residents were forced to switch from their traditional job to scratching a living from taking trips across the border to neighbouring Poland several times per day to sell tiny lots of goods. Some of the luckiest ones are now the owners of retail chains.

Having “prosperous Europe” to their west and Moscow to the east both of whom, at the beginning of the 1990s, lacked an adequate understanding of Kaliningrad's self-styled uniqueness saw the residents of the region frighten the metropolis in terms of the ghost of “separatism”.



The ghosts of revanchism and treason still, moreover, loom large for some Kaliningrad residents. "Isolationists", as such, try to counter any attempts to make an "open house" of the region.

Tourism was not a priority, to put it politely, due to the special nature of the post-cold war regime which limited the entrance of foreigners to the region. A short tourist season encompassing several run down and old fashioned resort towns is all that the Amber Region could deliver. In 2000, 323,300 tourists (264,200 persons from Russia and 59,100 foreign tourists) visited the region.

In the seven years up to 2007 this figure increased slightly to 396,700 (308,500 Russians/88,200 'others'). But by means of comparison an annual sailing race in the city of Kiel, with some 230,000 inhabitants, hosts up to 3 million guests each year!

It is estimated that around 450,000 tourists visited Kaliningrad in 2008. Further development comes through comparison -the Lithuanian resort town of Palanga, with only 17,000 inhabitants however annually hosts approximately one million foreign tourists.

Recently much has been said about the development of water tourism and yachting. Sure enough the intermediate point on the sea voyage from Gdansk to Klaipeda is Kaliningrad but there is one big problem: the existing ban on foreigners sailing in inland waters. This problem is not within the competence of the local authorities to solve being a Federal responsibility.

That is why it is a slow and complicated process to argue for change. Despite the recent optimistic statements coming out of Kaliningrad the area will not become the tourist Mecca of the Baltic Sea Region any time soon. It has another role to play, namely, as a place for negotiations to be held.

The most telling example of cooperation is probably joint effort aimed at the protection of the ecological balance of the Baltic Sea. Pollutants dumped into the sea impregnate the sediments and are constantly disturbed contaminating other parts of the Baltic.

This fact alone necessitates that states undertake much closer collaboration in

this area. No country alone can force through a decision in this area. In dealing with issues of the 'global commons', like those relating to environmental protection of the seas, cooperation is fundamental. This is why the best practice examples of ecological cooperation are primarily of importance as "schools of dialogue".

The Baltic Sea Region today is one of the most important contact points in the unification of Europe. Despite the existence of the Suez Canal and other Southern routes connecting Europe with Asia, transit through the BSR is both shorter and more secure. But perhaps the most important issue here is that it runs through Russia.

The introduction of a simplified transit regime, which remains a much coveted future goal of Russia-EU relations, will make business and personal contacts between the Kaliningrad Region and the rest of Europe easier, but will also facilitate the tackling of the problem of upgrading transit links to the core territory of Russia itself.

The benefits for Kaliningrad's residents are obvious: intensification of contacts, boosting tourism, creating a more attractive investment climate. From the point of view of Russia, such a move could simulate the creation of a (future) general visa-free regime between Russian and Europe.

What then should Kaliningrad's inhabitants do to promote the drive towards a new higher round of collaboration with those parts of Europe surrounding it?

First of all, get rid of their lasting phobias and myths in respect of their neighbours, as well as their own illusions and those of 'mother Russia'. Russia simply will not facilitate Kaliningrad 'uniqueness' or allow 'separatism' to flourish.

The most important point is however to ensure that Kaliningrad plays a fundamental role in all Russia-Europe negotiations, and that it should not be afraid to remind the Federal Centre in Moscow of its continuing existence – and thus its utility.

Otherwise it will remain doubly disadvantaged by its peripheral position as regards both 'core Russia' and the core economic areas of the European states neighbouring it.



From modern Kaliningrad.  
 Photo: Denis Sechkin

Europeans should also divest themselves of superfluous illusions: namely that the Kaliningrad enclave is somehow not Russia. Kaliningrad's particular interests and problems should to be taken into consideration, but serious negotiations can only be carried out with the Federal centre.

At the same time one cannot be contemptuous of the region's worth to Russia. If an attempt is made to "seduce" it Europe should be under no illusions that they would be forced then to deal with the full might of Russia.

By Denis Sechkin, Journalist  
 Kaliningrad  
 sechkin\_dv@bk.ru





Cloth-saleswomen visiting the centre of Peippiääre rural municipality. Photo: Odd Iglebaek

## Eastern BSR-peripheries at a standstill

Optimistic expectations in the new EU Member States' that their entry to the European Union\* would help them quickly promote economic development and raise living standards have, in part, been realised in the capital regions of these countries. The peripheral regions of these countries however continue to stagnate while the gap between urban centres and the rural periphery widens. This ongoing development logic continues apace despite the support provided by the EU structural funds for the economic development of peripheral regions.

The peripheral border regions in question are usually located on the EU's fringes, bordering less economically developed third countries. In fact, they are becoming "double peripheries" within a greater European context – distant not only from the dynamic centres of "Core Europe" – but also from prosperous national centres as well. There are a number of reasons for this growing gap.

First, we have the conflicting goals of EU economic growth and cohesion policies. The economic growth policies are aimed at promoting efficient economic development

in the Member States; the regional convergence policy however promotes cohesion on the overall European level, not at the Member States level.

As new EU Member States have to compete economically with the "old" Member States, this is done at the expense of underdeveloped peripheral, and especially rural, areas in the "new states" which do not have the skilled personnel, RTD potential and infrastructure that the highly developed centres, usually national capitals, have. Therefore these peripheral areas constantly lose out in the race to boost economic attractiveness and productivity.

### Contradictory EU-border policies

Another such conflict undermining the ability of peripheral regions to compete relates to the numerous contradictions between EU policies supporting cross-border cooperation across the EU's external borders and the emergent EU border protection/security policy regime. Cross-border cooperation (CBC) is an important factor in the economic development of peripheral regions and as such it requires that the actors involved can cross borders relatively freely. EU

border control policies however now impose increasingly strict regulations on border crossing thus impeding CBC.

As a consequence of these tensions between the objectives of EU security and CBC policies, the overall EU effort to support CBC often does not compensate for the economic losses of border areas connected to the closing and/or strengthening of those borders.

It is not only the EU however that should be "blamed" for the fact that its border areas are becoming further deserted and economically depressed. One should not forget that urbanisation is a global trend and to a greater or lesser extent this phenomenon is taking place all over the world.

### Look to Finland

Given the global urbanisation trend however, the development of peripheral areas significantly depends on national regional development policies. Moreover, positive European examples exist where despite the EU policy contradictions described above, border areas on the EU's external fringes nevertheless develop rapidly. A good example here is Finland which has managed to "sell" its Lapland

to the rest of Europe, such that dozens of airplanes from the heart of Western Europe land everyday in the Finnish border area bringing tourists in winter and summer and promoting the economic development of the border area.

One such example of the promotion of EU external cross-border cooperation comes again from Finland. Finnish towns on the border with Russia such as Lappeenranta, according to the representatives of Lappeenranta municipality, recently experienced rapid economic growth thanks to the opening of the Finnish border to Russian tourists.

Since the Finnish government provides funds to support cross-border cooperation at the grassroots level, strong cross-border networks of representatives of schools, universities, municipalities etc., now exist. Such networks can usefully support the long-term economic, social and security-related development of the EU's external border area.

**Involve the local actors**

At the EU level, there is a need to establish horizontal coordination across different EU policies while at the national level the need remains to establish sound regional development policies promoting growth in peripheral areas. Involving local stakeholders in border areas and giving them more say in the elaboration and implementation of EU and national policies would be a very important resource in boosting economic development in these border regions.

Currently, most EU policies that concern border security or cross-border cooperation are developed at the high political level with only representatives of national governments and EU .

**Commission officials involved.**

As a result local actors tasked with the implementation of these policies in the border areas face some difficulty in doing this because the methods and instruments of policy implementation have been developed with little consultation in respect of local actors. In short they do not fit local economic, governance or cultural conditions and significant tensions remain in respect of the implementation process.

One mechanism for involving local CBC actors in the development and imple-

mentation of EU policies in respect of CBC exists in the form of institutions such as Euregios or Euroregions. Euregios are cross-border unions of local authorities and/or other organisations established to promote CBC. It is, however often the case that Euregios lack the necessary capacity and resources to develop their own policies in support of CBC or to successfully lobby their interests at either the European or national levels.

**No official eagerness**

Cross-border cooperation on the Estonian border with Russia is promoted by the European Union through implementation of the European Neighbourhood Policy (ENP) aimed at "avoiding the emergence of new dividing lines between the enlarged EU and its neighbours".

For the period of 2007 – 2013, the overall budget of the programme supporting the cross-border cooperation between Estonia, Latvia and Russia (Pskov and Leningrad regions) is 746.3 million Euros.

Although the EU has pushed the development of CBC between Estonia and Russia, these two countries appear to have adopted EU policies in a rather lukewarm manner. Despite signing the EU – Russia agreement in May 2008 on the simplification of the visa requirements regime, obtaining a Russian visa nevertheless remains a long drawn out procedure. In Estonia representatives of local authorities based along the border with Russia applied to receive Russian multi-entry visas through the Russian Ministry of Foreign Affairs already in 2006 nevertheless it still took around two years to obtain the visas.

On the other hand, according to respondents in St. Petersburg, obtaining visas for travel to Estonia is sometimes also difficult - there are often long lines at the Estonian Consulate to make an application for an Estonian visa. Moreover, is it not always possible to get adequate information on the issuing visas via the telephone.

For those living in the border areas the border crossing is a very important issue. Before aligning with the Shengen-zone regulations, local people who had relatives or who regularly visited culturally important sites on the other side of the border, could cross with the special permission of the local authorities in cooperation with the foreign ministries concerned.

After Estonia aligned the Shengen agreement it was bi-laterally agreed between the Estonian and Russian authorities that 4000 free of charge visas would be issued for the local inhabitants of border area. In December 2008, the Estonian Ministry of Foreign Affairs however proposed to the government of the Russian Federation that they stop issuing free of charge visas to the residents of their border areas. Instead it was decided at the beginning of 2009 that issuing multi-entry visas in the border areas would continue.

By Dr Gulnara Roll, Senior Research Fellow of the University of Tartu Institute of Government and Policy; and Chairwoman of Board, Peipsi Center for Transboundary Cooperation; Tartu, Estonia [gulnara.roll@ut.ee](mailto:gulnara.roll@ut.ee)



**References**

Berg, E. and Bowman, J. (2005) Cross-Border Cooperation in Focus: What are the Lessons to be Learned in the Estonian–Russian and Romanian–Moldovan Borderland? Tartu University Press, Estonia. See also: [www.eudimensions.eu](http://www.eudimensions.eu)

Gorzalak, G. and Smetkowski, M. (2007) "Regional dynamics in Central and Eastern Europe", Paper presented at the International Conference "Regional Development in Central and Easter Europe", 20-22 September 2007, University of Warsaw, Poland.

Kramer, Hans. (2005) Cohesion and Growth in the EU: Is there a conflict between national and regional convergence? Working Paper. See: [www.tuwien.ac.at](http://www.tuwien.ac.at)

Stefan Batory Foundation (2008) Gateways to Europe: Checkpoints on the EU External Land Border. Warsaw: Stefan Batory Foundation.

\* The 2004 EU enlargement included Estonia, Latvia, Lithuania and Poland while the 2007 enlargement brought in Bulgaria and Romania. At the moment of accession an official Eurostat projection put the GDP of Latvia at 52%, Lithuania at 62 %, Estonia at 68 %, Poland at 95%; Bulgaria at 39 % and Romania at 41% of the EU average.

# Living with the Russian-Estonian border

The main actors in cross-border cooperation in the Estonian – Russian border area can be divided into three groups: actors cooperating along cultural lines, economic development cooperation actors and environmental experts and organisations. Often the same groups are involved in different areas of activities

The Society of Old Believer Culture and Development in Estonia, [www.starover.ee](http://www.starover.ee), represents a group of Russian ‘Old Believers’ (*starovery*), about 15000 people in all. The majority of whom live on the Estonian shore of Lake Peipus/Chudskoe. The Russian ‘Old Believers’ escaped from Russia to what is now Eastern Estonia in the late 17th century as they did not agree with the reform of the Russian Orthodox Church conducted by Patriarch Nikon. Since then their cultural heritage, churches, museums and local architecture have attracted both local and international tourists.

Another active organisation is the Setomaa Union of Local Authorities, [www.setomaa.ee](http://www.setomaa.ee), representing the Seto people who live on the border with Russia. They speak the Seto language, which is a Southern-Estonian dialect, and have a distinct culture.

In Estonia there are 10 000 –13 000 Seto people. 3000 – 4000 live in the historical location of the Setomaa in the southern part of the Russian-Estonian border area. In Russia there are only about 100 Seto people left, since most have relocated to Estonia. Graveyards and other symbolically important places however remain situated on the Russian side of the border.

Established 1927, an NGO Fenno-Ugria, [www.fennougria.ee](http://www.fennougria.ee), works to promote contacts between Estonians and other Finno – Ugric people living mostly in central and northern Russia. Fenno-Ugria functions as a coordinating establishment for cooperation and information exchange with the other Uralic (Finno-Ugric and Samoyed) peoples. In total, there are more than 120 nationalities in Estonia represented by four cultural organisations, which are united in the Alliance of Nationalities of Estonia.

The above-mentioned cultural groups, Seto and Old-Believers, as well as a few others native Estonia cultural organisations joining Russians, Ukrainians, Belarusians, etc. are primarily descendants of “Russian – speakers” who moved to Estonia in 1950–1960s. They came from many different parts of the former Soviet Union. Mostly they re-settled to work in the large industrial machinery and chemistry enterprises built in Northeastern Estonia.

Today the multiple cultural societies in North-eastern Estonia are active in the promoting of their own culture and languages as well as in maintaining contact with their historical motherlands.

The most obvious examples of economic cross-border cooperation are the chambers of commerce and entrepreneurs. Cooperation is active between the predominantly Russian-speaking municipalities of Narva and Kohtla – Järve and the municipalities of St. Petersburg, Ivangorod and Kingisepp on the Russian side. The only Euroregion, a union of border municipalities from Estonia, Latvia

and Russia, is the Pskov–Livonia *Euregio*, which was established in 1996 with the support of the Swedish Union of Local Authorities.

The potential remains for the formation of a larger number of *Euroregions* in the Estonian–Russian border area. At present however local actors simply do not have sufficient resources to establish and sustain such cross-border cooperation efforts.

The large transboundary lake named Peipis in Estonian and Chudskoe in Russian, one of the largest lakes in Europe, is located in the in the Baltic Sea basin. Environmental organisations thus have an important role to play in Estonian – Russian cross-border cooperation. Universities, NGOs, municipalities and environmental officials work hand-in-hand to promote environmentally sustainable development in the Lake Peipis/Chudskoe Basin.

It should however be mentioned also, that on the Russian side, in the economically less developed *oblast* of Pskov, social orientation organisations are interested in cooperating with similar organisations in Estonia. However, differences in the national level approaches to support less protected groups of the population in Estonia and Russia, a weak knowledge of English needed to write cooperative projects and a lack of international project management experience are probably the main reasons for absence of such cooperation thus far.

By Gulnara Roll  
[gulnara.roll@ut.ee](mailto:gulnara.roll@ut.ee)



From Old Believer cemetery in Varnja. Photo: Odd Iglebaek



From Varnja museum

## - Better before

- In many ways it was better in Soviet-days, says Niina Baranina, Head of the Peipsiääre rural municipality, a one thousand inhabitant rural community on the Estonian side of the Lake Peipsi.

- Most importantly fishing in the Lake was less regulated. We could fish all year round and there were no borders in the lake. After joining the EU we can only fish a few weeks every year, from 15 March to 5 May and 15 September to 15 October, she continues.

The head of the municipality explains that on the Russian side they are now allowed to fish seven months annually. - The result is of course that many of our fishermen have been forced to give up. In fact, before we had 160 but now only five.

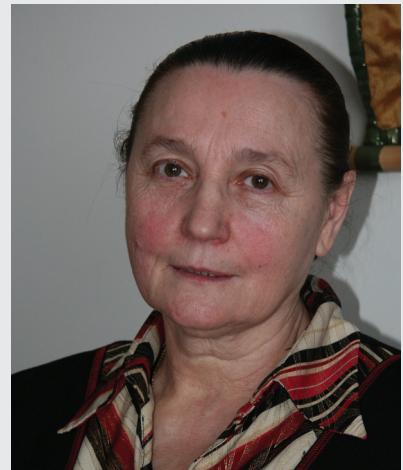
- So yes, I do think the government should take initiatives to make it possible to fish on the whole aquatory of the lake. We should also remember that the fish migrate in the Peipsi independent of any borders.

The village of Varnja which is part of the Peipsiääre rural municipality has only 200 inhabitants. - Last year however three babies were born in the village. In Estonia all new mothers get 18 months full income-compensation, explains Raissa Poljakova, a worker at the local library and a representative of a local grassroots NGO "Varnja Family Society".

This NGO takes care of a small local museum: - It is a very important element in keeping the community alive. It provides us with a sense of belonging as well as a place to congregate.

It seems that many in the district are not too happy with Estonia's EU-membership. At the same time many people from the area travel to work abroad, particularly in the building industry. Finland, Ireland and Norway seem to be the most popular destinations:

- It is true that they bring income, but I guess it is fair to say that we are paying a price for this. Before we had development and a future,



Niina Baranina. Photo: Odd Iglebaek

but now in fact our communities are at a virtual standstill in development terms, concludes Niina Baranina.

By Odd Iglebaek

# Mostly water and countryside

The Estonian-Russian border area is predominantly rural in character with a population of less than one million. The total length of the border is 460.6 km, of which 122 km runs through the Bay of Finland, 200.6 km through large surface water bodies (including Lake Peipsi/Chudskoe and the Narva River) and only 138 km on dry land. The major cities in the basin are Pskov (Russia) with 204,000 residents, Tartu (Estonia) with 98,000 and Narva (Estonia) with 70,000. The Estonian-Russian border became part of the external border of the European Union in May 2004 and in December 2007 an external border of the EU Schengen zone - the passport-free travel area that encompasses 22 European states.

Today Estonian border checkpoints on the EU external border are fully modernised utilising high-tech equipment. A study conducted in seven EU Member States by the Stefan Batory Foundation (2008), has assessed the quality of service rendered by the border guard and customs services at external EU border checkpoints. The study concluded that the quality of work of border guard and customs officers, as well as the infrastructure of border control at Estonia's border points, was adequate. What was inadequate however was the infrastructure that could make the border

crossing more convenient. Survey respondents claim that there are simply too few bars, cafes, public conveniences and parking lots.

These symbols of a closed border reflect the essence of the EU's security and border protection policy aimed at protecting Europe from external risks such as illegal migration and crime. It also reflects the state of Estonian - Russian intergovernmental relations where, after the re-establishment of Estonian independence, many points of disagreement emerged on when and how the border was established as well as other questions relating to the general nature of bilateral relations.

Cross-border cooperation with Russia was historically an important source of economic development for Estonia's eastern peripheries. Before the beginning of the 1990s when the international border between Estonia and Russia was re-established, Estonian and Russian fishermen fished together across Lake Peipsi/Chudskoe which is shared by the two countries (the lake is the fourth largest in terms of its surface area in Europe).

Estonian farmers took their products to the markets in St. Petersburg when Estonia

was part of the Soviet Union. In the 1990s, Russia imposed double taxes on Estonian goods exported to Russia. Initially due to the high taxes and expensive visas and latterly to economic instability on the Russian side, the cross-border trade decreased sharply.

As the main sources of income (agriculture and fishing) of people living in the Estonian eastern peripheries dried up, almost no new economic development activities emerged to replace them. As a result, most young people left to work not just to Tallinn, but in Norway, Finland or the UK; high unemployment and a poor infrastructure endowment thus remain major challenges to further economic development for the region.

Economic development policies in Estonia currently rely in the main on market forces while there are few mechanisms available to support development in economically disadvantaged regions; as a result, many shops, schools etc., were closed and public transportation routes discontinued in the peripheral areas of Estonia after the re-establishment of independence.

By Gulnara Roll  
gulnara.roll@ut.ee

## General

### The CBSS – Council of the Baltic Sea States

was established by the conference of the BSR Foreign Ministers (with the participation of the EU) in 1992 (plus Iceland who joined in 1995) as a response to the geopolitical changes occurring in the BSR with the end of the Cold War. The CBSS focuses on the need for increasing cooperation among the BSR countries and attempts in the main to secure democracy and to achieve balanced economic development. Its main aim is to identify political goals, create action-plans, initiate projects and provide a forum for the exchange of ideas in respect of regional issues of common interest. Secretariat: Stockholm. [www.cbss.st](http://www.cbss.st)

### BSSSC – Baltic Sea States Sub regional Cooperation

is a political network for decentralized authorities (sub-regions) in the BSR, founded in 1993 with strong cooperative links with other BSR and European organizations. Its mission is oriented to permanently strengthening the BSR image in order for it to become an important player in the broader European scenario. As a Pan-Baltic organization it is open to all BSR regions without distinction. By making use of its political status and by being a close partner to the CBSS, it intends to promote regions, decision makers, national governments, EU and even global interests. Secretariat: Hamburg. [www.bsssc.com](http://www.bsssc.com)

### BSPC – Baltic Sea Parliamentary Conference

is the parliamentary forum of the BSR. Its main aim is to increase cooperation between the parliamentary institutions of the BSR both on a regional and a national level in order to facilitate the bases for the discussion of major regional issues. In their annual sessions, the presidency of the CBSS actively participates by presenting the work programme of that organisation. Secretariat: Copenhagen. [www.bspc.net](http://www.bspc.net)

### Baltic Sea Forum

is a private non governmental organisation which works together with a number of governments as well as with state-wide, regional and local institutions. It possesses a representative network of members from the business world, politics and administration and is oriented to promoting economic and cultural cooperation; to support the EU's Northern Dimension Action Plan and EU projects; to provide an independent scenario for the exchange of ideas; to improve information flows within the region; and to consult political institutions on how to reduce obstacles to regional cooperation. Led by an international executive board, it maintains offices in all BSR countries, plus Brussels and Switzerland. Main office: Hamburg. [www.baltic-sea-forum.org/en](http://www.baltic-sea-forum.org/en)

### CPMR's Baltic Sea Commission

is the geographical Commission from the CPMR or Conference of Peripheral Maritime Regions of Europe in charge of the Baltic Sea Region. The CPMR's main objective is to achieve a more balanced territorial development and regional competitiveness throughout regions across its area of competence. It was created in 1996 anticipating further EU enlargement as a way to guarantee and promote cooperation with the new Member States and Russia. [www.balticseacommission.org](http://www.balticseacommission.org)

## Sub Regional and/or Urban

### VASAB

is an intergovernmental network of 11 BSR countries promoting transnational cooperation specifically focused on spatial planning with a clear vision on sustainable and balanced development. VASAB was created in 1992 by representatives from the National and Regional Ministries responsible for environmental protection and spatial planning in cooperation with international organisations. It was then decided to jointly prepare a document on the spatial development concept 'Vision and Strategies around the Baltic Sea 2010'. VASAB's working body is the Committee of Spatial Development (CSD-BSR) with each member state represented by a senior level civil servant. This group meets four times a year with the CSD-BSR deciding on the topics which should become issues in the VASAB process. Secretariat: Riga, Latvia. [www.vasab.org](http://www.vasab.org)

### BaltMet – Baltic Metropolises Network

is a forum of large metropolitan cities around the BSR including Berlin, Copenhagen, Helsinki, Malmö, Oslo, Riga, Stockholm, St.Petersburg, Tallinn, Vilnius and Warsaw. Its goal is to promote attractiveness and competitiveness across the whole BSR by grouping major cities and academic and business partners on the basis of the already strong cooperation between them. In parallel, the network promotes learning and experience exchanges. Its main focus areas include innovation policies, the promotion of labour mobility and integration and identity building across the Region. The network is coordinated and administratively run by the chair city in cooperation with two vice chair cities for two years. The chair city also hosts the secretariat of the network (Stockholm until 2009). [www.baltmet.org](http://www.baltmet.org)

### B7 – Baltic Sea Seven Islands

is the network of the seven largest BST islands, Bornholm (DK), Gotland (SE), Hiiu-maa (EE), Rügen (DE), Saaremaa (EE), Åland (FI) and Öland (SE). Established in 1989, it has an annual rotating Chairmanship and Secretariat which moves from island to island. Its mission is to encourage the social, economic and spatial development of the islands using their common strengths to promote strategic goals for the islands. It intends to highlight their uniqueness, to promote common cultural understanding and to create an appropriate platform for the exchange of ideas and experiences. Secretariat: Rotating annually. Currently: Öland (SE). [www.b7.org](http://www.b7.org)

### UBC – Union of the Baltic Cities

established in 1991, has a network of over 100 member cities from 10 BSR countries. The Union aims to promote and strengthen cooperation and the exchange of experience among BSR cities, to advocate for the interests of the local authorities in the region and to act on behalf of the cities and local authorities in common matters of interest in respect of regional, national, European and international bodies. It also intends to increase the BSR's sustainable development profile in relation to European principles of local and regional self-governance and subsidiarity. Permanent Secretariat: Gdansk, Poland. [www.ubc.net](http://www.ubc.net)

## Environmental

### **Baltic 21 – an agenda 21 for the Baltic Sea Region**

established in 1996 by the heads of governments of the BSR States, it is a multi-stakeholder forum for sustainable development. It includes all CBSS members, the EU Commission and other intergovernmental organisations, international financial institutions and international non-governmental networks. It was founded on the idea of accelerating the work being undertaken on sustainable development in the BSR and to oversee the regional implementation of Agenda 21. Work focuses on seven economic sectors (agriculture, energy, fisheries, forestry, industry, tourism and transport) as well as on spatial planning and on education. Secretariat: Stockholm. (Since January 1, 2001, the Baltic 21 Secretariat has become an administrative unit of the CBSS Secretariat). Budget: 15 million Euros (for three years implementation); Permanent staff: 3. [www.baltic21.org](http://www.baltic21.org)

### **HELCOM**

is the governing body of the "Convention on the Protection of the Marine Environment of the Baltic Sea Area" usually known as the Helsinki Convention, signed by all of the countries bordering on the Baltic Sea and by the EU. Its vision includes the creation of a healthy Baltic Sea environment with diverse biological components functioning in balance, resulting in a good ecological status and supporting a wide range of sustainable economic and social activities. It works to protect the marine environment of the Baltic Sea from all sources of pollution through intergovernmental cooperation between all BSR States plus Russia and the EU. Secretariat: Helsinki. [www.helcom.fi](http://www.helcom.fi)

### **ASREC – Baltic Sea Region Energy Co-operation**

was created in 1999 during the Helsinki Conference of Energy Ministers of all BSR countries as a tool to enhance and strengthen cooperation in the field of energy. The EU is represented by DG Transport and Energy while the grouping also involves the CBSS and the Nordic Council of Ministers. The aim is to develop a platform capable of building up a regional view of energy policy strategies. The intention remains to create a better understanding of the possibilities and actions necessary to develop the framework conditions for the energy market. At the same time also reducing the environmental impacts of the energy sector in terms of production, use and transmission. Secretariat: Stockholm as part of the CBSS. [www.basrec-extra.net](http://www.basrec-extra.net)

### **Others**

Clean Baltic Sea [www.puhdasitameri.fi/EN](http://www.puhdasitameri.fi/EN)  
 Baltic Nest Institute [www.balticnest.org](http://www.balticnest.org)  
 Baltic Sea Experiment [www.baltex-research.eu](http://www.baltex-research.eu)  
 Coalition Clean Baltic [www.ccb.se](http://www.ccb.se)

## Economic

### **Baltic Development Forum**

is an independent non-profit networking organization oriented towards the development of new initiatives, public-private partnerships and international contacts as a way to stimulate growth, innovation and competitiveness in the BSR. Its mission is to develop the BSR as a global centre of excellence and to establish the region internationally as a strong and attractive place brand with a dynamic business environment. Members include a wide range of partners including large companies, major cities, institutional investors, regional organizations, research and media institutions and business associations across the BSR. Secretariat: Copenhagen. [www.bdforum.org](http://www.bdforum.org)

### **BCAA – Baltic Sea Chambers of Commerce Association**

founded in 1992, serves to unite the Chambers of Commerce of the BSR countries, giving the business community of the region a united voice for common concerns. The threefold task is to protect and uphold the interests of private entrepreneurship by advising policy-makers on business related affairs, offering services to the business community and providing facilities for contacts, debates and meetings in the region. The BCCA represents more than 450,000 companies belonging to all sectors of the Northern and North-Eastern European markets. Secretariat: Malmö. [www.bcca.de](http://www.bcca.de)

### **BASTUN – Baltic Sea Trade Union Network**

is an independent network of 22 member trade union confederations. The network has an annual rotating presidency that changes in accordance with the CBSS presidency. Established in connection with the ETUC European Trade Union Confederation it is financed in part by EU DG Education and Culture and partly by the Nordic Trade Unions and the German DGB. Its main aim is to influence BSR political decision makers by putting forward joint demands in areas such as employment, education and social policy as well as developing network cooperation between member organisations. Permanent Secretariat: Stockholm. [www.bastun.nu](http://www.bastun.nu)



### **Others**

Policy making: Centrum Balticum  
[www.centrumbalticum.org/en](http://www.centrumbalticum.org/en)  
 Ports: Baltic Ports Association [www.bpoports.com](http://www.bpoports.com)



## Culture, Tourism, NGOs

### ARS BALTICA

was created in 1991, as a network of cultural collaboration, on the initiative of the Ministries of Culture across the BSR. It is also part of the CBSS. It intends to shape a common BSR cultural policy by promoting Culture at a regional level as a tool to increase its significance. It supports Project Leaders in finding financial support as well as expanding the Baltic scope of the events, developing contacts and promoting collaboration with similar networks (such as leading European cultural organisations); and in general promoting the BSRs cultural life outside the region. Rotating Secretariat in Gdansk since 2004. In 2009 it will move to Kiel. Budget: 22600 EUR. Country contribution: 1900 EUR (except host country which contributes with 7400 EUR). Permanent staff: 3 [www.ars-baltica.net](http://www.ars-baltica.net)

### BTC – Baltic Sea Tourism Commission

is the only tourism organisation covering all countries of the BSR aiming to promote sustainable tourism in the region. It is a non-profit making organisation open to any firm, company, other organisation or individual willing to accept and support the Commission's aims and objectives. Its main aim is to improve the BSR's image as a viable tourist destination, promoting the region's identity, marketing its potentials, encouraging the development of sustainable and responsible tourism, and promoting projects of all types. Secretariat: Stockholm. Budget: 20.000 g membership contributions mainly for marketing purposes. Permanent staff: 1. [www.balticsea.com](http://www.balticsea.com)

### Baltic Sea NGO forum

has as its main purpose support for the civil society in the BSR by bringing together NGOs from all countries of the region and from various fields together at a place where they are able to offer the opportunity for dialogue not only between themselves but also with the public authorities in respect of future perspectives of cooperation in the BSR. Every year the country that holds the chair of the CBSS arranges a forum to evaluate and co-ordinate the annual activities that are to be delivered for further consideration to the CBSS and other institutions on the regional and European level. A specific Secretariat is yet to be established. Budget: For the year 2008 the Sida Baltic Sea Unit made a staff contribution of 25% to enable the network to develop a project-network. Permanent Staff: 1 [www.bsngoforum.org](http://www.bsngoforum.org)

### Others

Culture and Heritage: Baltic Heritage Co-operation  
[www.baltic-heritage.net](http://www.baltic-heritage.net)

## Education, Biotech, Health

### BUP – The Baltic University Programme

is a network of 225 universities and other institutes of higher learning throughout the BSR, coordinated by the Baltic University Programme Secretariat as part of the Uppsala Centre for Sustainable Development (Uppsala CSD) at Uppsala University. BUP supports and promotes regional and international cooperation and networking between the corresponding members by coordinating undergraduate and master level programmes as well as developing joint research projects related to common subjects of concern for the entire region. Secretariat: Uppsala. [www.balticuniv.uu.se](http://www.balticuniv.uu.se)

### ScanBalt

is a network of knowledge networks including universities, biotech/life sciences companies, research institutes, hospitals and other actors in the biotech/life science area. Its main purpose is to ensure that North European Life Sciences and Biotechnology realises its potential for global competitiveness. It intends to promote regional economic development through knowledge, education R&D innovation and technology transfer within life sciences and related social sciences, providing support to its members in order to enhance innovation, meet cross border regional needs and become a forum for discussion. It intends to achieve a new 'meta-regional' structure, which brings together regional and national expertise into one coherent, transnational organisation. Secretariat: Copenhagen. Budget: ND; Permanent Staff: 4 [www.scanbalt.org](http://www.scanbalt.org)

### The Northern Dimension Partnership in Public Health and Social Well-being (NDPHS)

was established in 2003 with the aim of promoting sustainable development in the Northern Dimension area by improving human health and overall social well-being. It represents the cooperative effort of thirteen governments, the European Commission and eight international organisations. It intends to intensify cooperation in general, assisting partners and participants in respect of capacity building and promoting coordination between international activities or initiatives in the region. Secretariat: Stockholm hosted by the CBSS. [www.ndphs.org](http://www.ndphs.org)

### Others

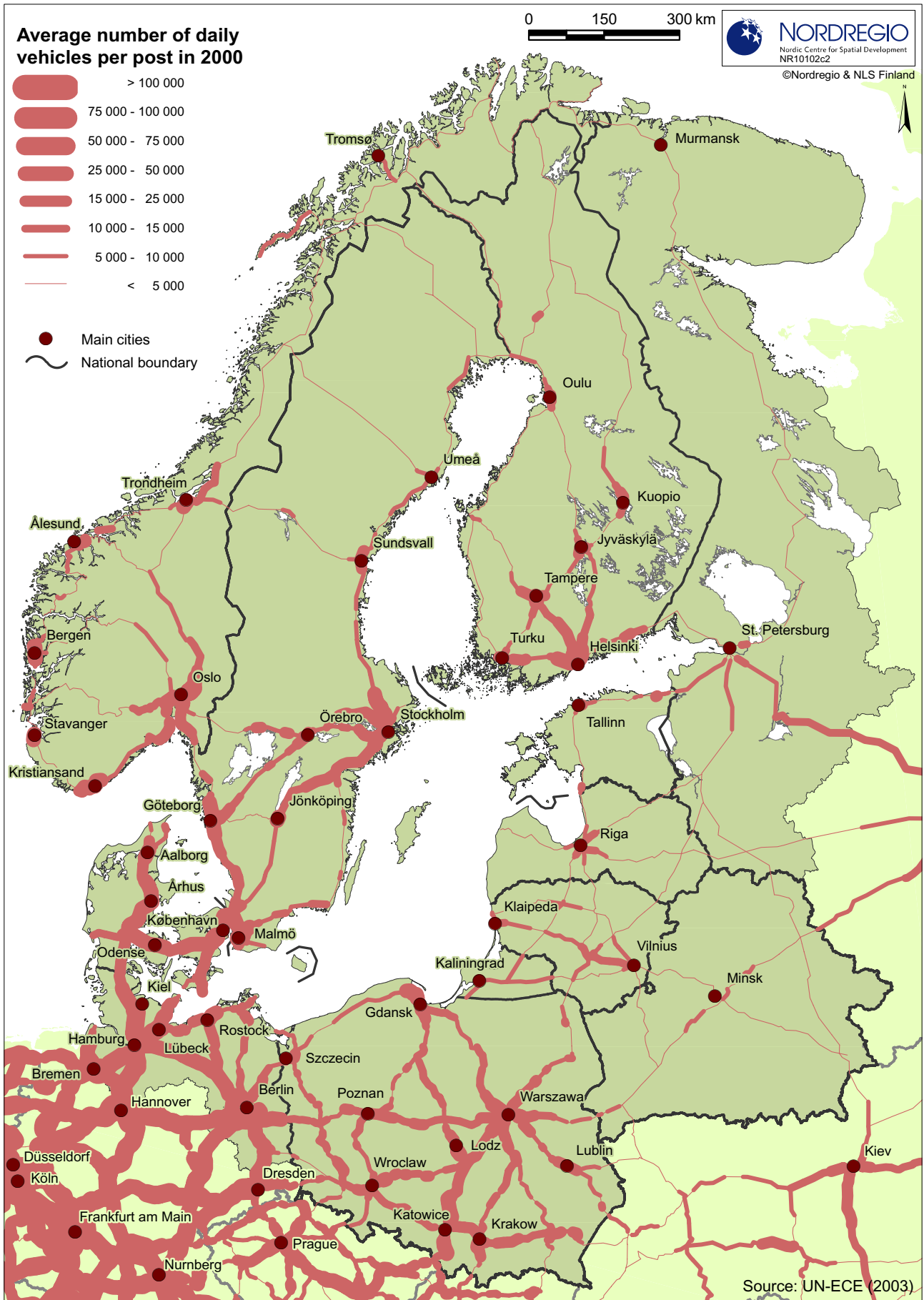
Health: Baltic Region Healthy Cities Office  
[www.marebalticum.org/balticoffice](http://www.marebalticum.org/balticoffice)  
Education: Baltic Network for Adult Learning  
[www.bnal.org](http://www.bnal.org)

Sources: Organisational WebPages and Baltic Sea Portal / Budget and staff: Secretariats

The overview is compiled by  
Jose Sterling, Research Assistant  
[jose.sterling@nordregio.se](mailto:jose.sterling@nordregio.se)

Background photo of the Baltic Sea by:  
Johannes Jansson/norden.org





This map reflects the road traffic loads of Northern Europe. It also gives a good impression of the existing road structure and population densities. For example the low population in the eastern Latvia and Estonia does not generate much traffic. Unfortunately it has not been possible to get comparative figures for later than 2000. Map by Alexandre Dubois and Johanna Roto, Nordregio.

# Sweden: Unemployment coordination

In Sweden employers who plan to lay off more than five employees are currently required to notify the Public Employment Service. The PES should be notified two months in advance if less than 25 of the firms' employees are affected and at least six months prior to a possible layoff if more is affected.

In the last two years the total number of employees in Sweden included in such early notice statistics amounted to a monthly average of 5000. From September 2008, the number of new notices issued has increased significantly, and in the six months since August 2008 more than 100,000 employees have been notified of possible layoffs.

The total number of notices being issued is actually larger, since employers who plan to lay off less than 5 employees are not actually required to report these plans to the Swedish Public Employment Service (PES).

Recent estimates indicate moreover that more than 2/3 of all prior notices actually in redundancies.

In early October 2008, the Swedish government appointed regional coordinators (*varselsamordnare*) in the six regions (*län*) most affected by an increase in the number of advance notices. The regional coordination task has been given to the state representative – the county governors. In most regions they operate in tandem with the politically elected chair of the regional development council.

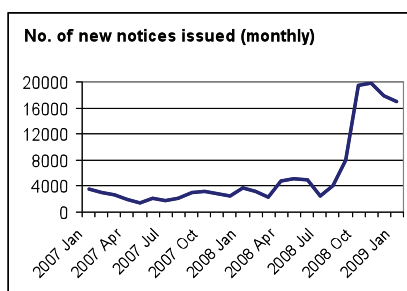
At the central level, an eight-member task force of deputy ministers from five of the government ministries has also been established. The government task force is responsible for maintaining the dialogue between the central government and the regional level on these issues, and is tasked with coordinating inter-ministerial political initiatives to combat economic decline following from the credit crunch.

The Swedish Association of Local Authorities and Regions (SALAR) has welcomed the government initiative, particularly as it seems to draw benefits from the municipal collaboration structures that are already in place.

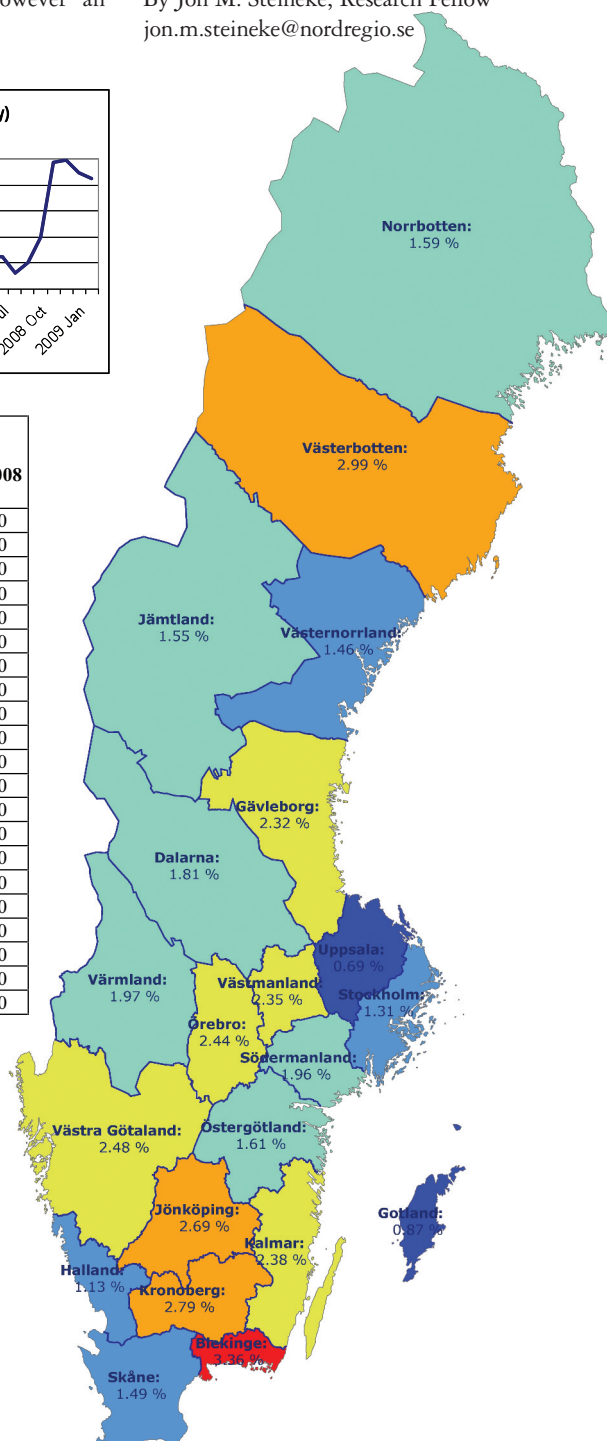
Thus far, the regional coordinators have reported to the governmental task force twice, in December 2008 and in early February 2009. The coordinators proposed a range of new actions and political initiatives, including proposals improving the opportunities for vocational training and the development of new skills for employees facing unemployment. Many of the more urgent proposals, particularly those that relate to renewed university-industry relations, remain however an issue of some political debate.

The confidentiality rules binding the Public Employment Service prevents the regional coordinators from gaining access to information such as which particular companies are notifying the PES of lay offs, and thus they have to rely on compiling information from media announcements made elsewhere. Regional coordination is thus to some extent hampered by a lack of systematic access to this information.

By Jon M. Steineke, Research Fellow  
jon.m.steineke@nordregio.se



Region	Total notified labour force 4th quarter 2008
Stockholms län	1 031 900
Uppsala län	158 900
Södermanlands län	121 900
Östergötlands län	195 100
Jönköpings län	166 000
Kronobergs län	87 400
Kalmar län	108 800
Gotlands län	29 400
Blekinge län	68 400
Skåne län	572 300
Hallands län	143 300
Västra Götalands län	748 100
Värmlands län	121 900
Örebro län	126 100
Västmanlands län	118 800
Dalarnas län	124 400
Gävleborgs län	117 300
Västernorrlands län	107 300
Jämtlands län	58 900
Västerbottens län	120 600
Norrbottnens län	112 700



The map shows the total number of new notices issued August 08 - January 09 as a percentage of the labour force.





**Nordregio** is an institute for applied research and development. Our fields of study include regional development, urban policy and spatial planning, as well as the cross-cutting aspects of spatial and regional policies. Sustainable development and territorial cohesion are among the most important policy issues in this respect. The geographical focus of the Institute is on the Nordic countries, the Baltic Sea Region and Europe. Our main clients are the Nordic Council of Ministers, the European Union, and the governments and regions of the Nordic countries. Nordregio has a multi-disciplinary staff and, as such, boasts an eclectic working environment. The institute is located in attractive surroundings in the City of Stockholm, Sweden.

## Nordregio seeks new staff

Nordregio seeks three new staff members with proven track records in the fields of regional governance and policy-analysis, regional and spatial analysis and process facilitation.

### Senior Research Fellow, regional governance and policy

Your main task will be to work with the issues of regional governance, regional policy, rural development and innovation systems as they pertain to the Nordic countries, as well as to Europe more generally, including the various aspects arising from their impact at the different administrative levels of government. A particular interest in economic and social change in non-metropolitan or sparsely populated regions would be an advantage.

We expect you to be experienced in project development and project management. As a Senior Research Fellow you will have the responsibility to initiate, attract and lead externally funded research and development projects.

For this position we further expect you to have experience in, and a broad knowledge of, current scientific developments in the international academic field of regional governance and regional/rural policies as well as a broad knowledge of the Nordic and European institutional systems. Experience of policy and programme evaluation would be an additional advantage.

Your professional background should be in political science, sociology, human geography or an associated discipline.

You should have an extensive international network of research contacts and a good knowledge of policy and policy-making at the Nordic (national) and the EU-level. Concerning the former we expect you to have a profound knowledge of a least one of the Nordic countries.

### Research Fellow, regional and spatial analysis

Your main task will be to work with spatial development, spatial planning and regional policy issues pertaining to the Nordic countries, the Baltic Sea Region and the EU, including the various aspects of these issues arising at the different administrative levels of government.

Your professional background should be in human geography, economics or an associated discipline.

We expect you to have experience of both qualitative and quantitative methodologies in addition to a broad knowledge of current scientific developments in the international academic field of regional development and of the Nordic and European institutional systems.

### Head of Nordregio Academy

As Head of the Nordregio Academy you will have overall responsibility for the courses, seminars, workshops etc., arranged by Nordregio where the outcome of research activity is disseminated to the end users i.e. policy makers at different administrative levels. In addition, in cooperation with project researchers, it is important for successful applicants to be able to facilitate the involvement of the end users throughout the research process. The creation of opportunities for the exchange of knowledge and experience among practitioners and policy makers will also be a major part of your work.

Your professional background could be in research, consulting or education. Prospective candidates are, however, expected to have the necessary personal competences to lead and facilitate learning and development processes as well as previous experience of facilitating the interaction of experts and end users. It would be an additional advantage here if you have an understanding of how research processes are conducted and how they can aid in communication between the worlds of research and practice.

The position can either be full time, combining Academy activities with research at Nordregio, or part time, combined with other duties.

### For all three positions

Fluency in both English and in a Scandinavian language is essential for all three positions. Possession of other European languages would be considered an additional advantage. As the task of dissemination is central to our role, you should, as a researcher, also enjoy lecturing and other dissemination activities and possess a proven track record in this area.

A Senior Research Fellow is expected to hold a PhD or have similar qualifications, in addition to a number of years of relevant experience. Your task is to initiate, lead and participate in research and development projects. As a Senior Research Fellow your task is also to lead and supervise young researchers. A Research Fellow should have at least attained a Master Degree. Your task is to initiate, participate in and, to some extent, lead research and development projects.

Nordregio offers you the opportunity to become a part of an international institution. The positions offer significant career development potential in terms of encouraging successful applicants to build and/or enhance their own international network of contacts in both the policy and the more strictly academic fields. We offer competitive salaries and term contracts with a maximum length of four years. The contract is renewable once for an additional four years. For further information, please contact the Institute's Deputy Director, Margareta Dahlström by e-mail at [margareta.dahlstrom@nordregio.se](mailto:margareta.dahlstrom@nordregio.se) or the Institute's Director, Ole Damsgaard by e-mail at [ole.damsgaard@nordregio.se](mailto:ole.damsgaard@nordregio.se).

*Applications including a CV and references should be addressed to Nordregio by e-mail - [nordregio@nordregio.se](mailto:nordregio@nordregio.se) - and must be received no later than 17 April 2009.*



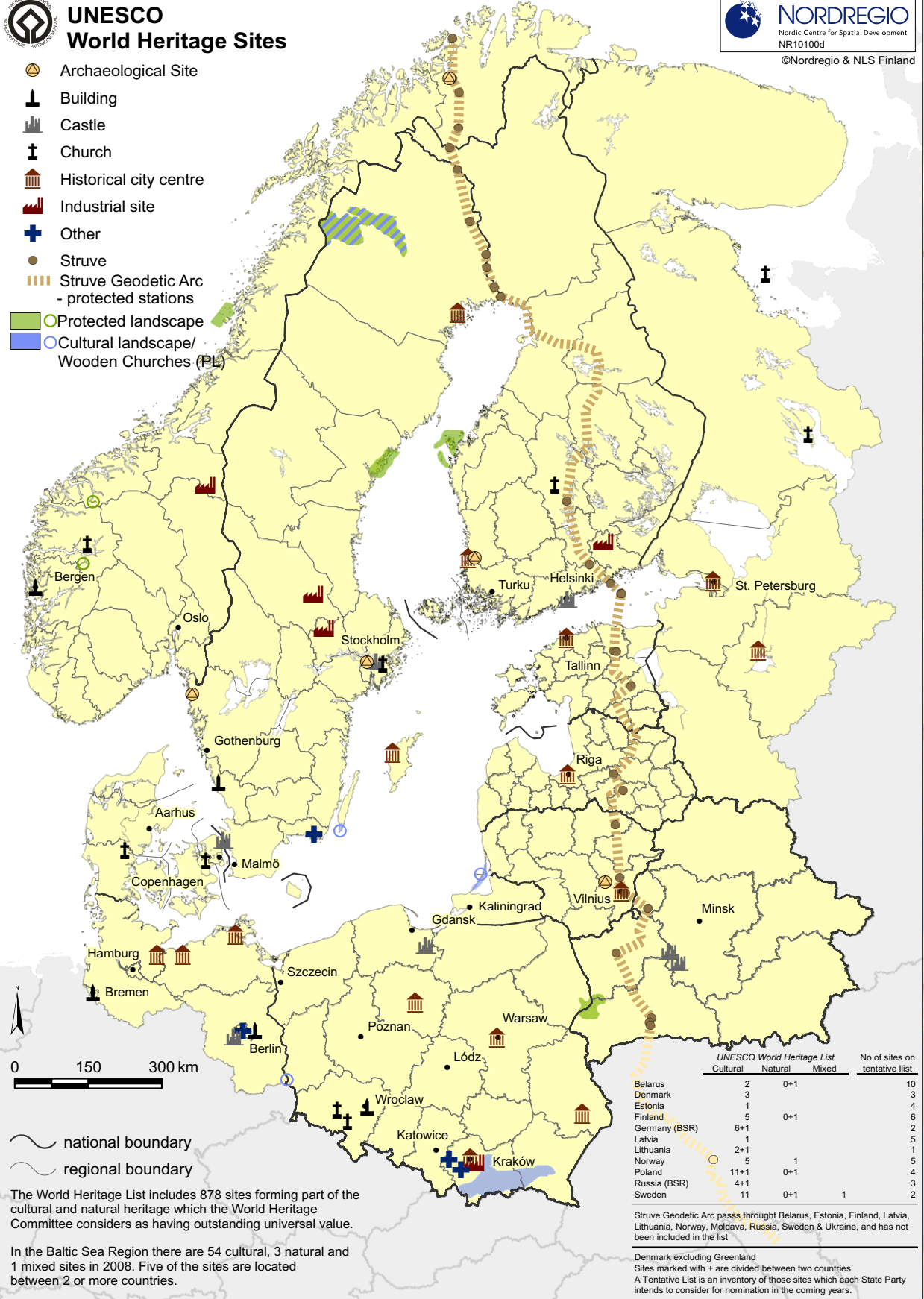
# UNESCO World Heritage Sites



**NORDREGIO**  
Nordic Centre for Spatial Development  
NR10100d

©Nordregio & NLS Finland

- Archaeological Site
- Building
- Castle
- Church
- Historical city centre
- Industrial site
- Other
- Struve
- Struve Geodetic Arc - protected stations
- Protected landscape
- Cultural landscape/Wooden Churches (PL)



	UNESCO World Heritage List			No of sites on tentative list
	Cultural	Natural	Mixed	
Belarus	2	0+1		10
Denmark	3			3
Estonia	1			4
Finland	5	0+1		6
Germany (BSR)	6+1			2
Latvia	1			5
Lithuania	2+1			1
Norway	5	1		5
Poland	11+1	0+1		4
Russia (BSR)	4+1			3
Sweden	11	0+1		2

Struve Geodetic Arc passes through Belarus, Estonia, Finland, Latvia, Lithuania, Norway, Moldova, Russia, Sweden & Ukraine, and has not been included in the list

Denmark excluding Greenland  
Sites marked with + are divided between two countries  
A Tentative List is an inventory of those sites which each State Party intends to consider for nomination in the coming years.

The World Heritage List includes 878 sites forming part of the cultural and natural heritage which the World Heritage Committee considers as having outstanding universal value.

In the Baltic Sea Region there are 54 cultural, 3 natural and 1 mixed sites in 2008. Five of the sites are located between 2 or more countries.

For more information on the UNESCO-sites in the Baltic Sea Region, see appendix of Nordregio Report 2008:3; Exploring the Baltic Sea Region - On territorial capital and spatial integration. The report can be ordered from [sophie.didriksson@nordregio.se](mailto:sophie.didriksson@nordregio.se) or downloaded from [www.nordregio.se](http://www.nordregio.se)