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**STRATEGIC PERSPECTIVES
FOR THE TERRITORIAL
DEVELOPMENT
OF THE BALTIC SEA REGION**

The article describes the motives, objectives and findings of preparing a perspective for territorial development of the Baltic Sea Region and discusses issues related to its implementation. Particular attention is paid to Northwest Russia and Kaliningrad region. Promoting innovation clusters, metropolitan networks and urban-rural partnerships, improving accessibility as well as enhancing maritime spatial planning and management are key issues to be solved in transnational cooperation.

Key words: accessibility, action plan, Baltic Sea region, maritime spatial planning, metropolitan area, North West Russia, region, strategy, territorial development perspective, urban-rural partnership.

The Baltic Sea Region (BSR) faces serious challenges but at the same time outstanding opportunities for territorial development. Beyond managing the current financial and economic crisis, there is an urgent need for improving the environmental situation of the Baltic Sea while at the same time using the marine resources in a sustainable way. Excellent preconditions for developing the knowledge society need to be utilised and further enhanced. Accessibility of the region requires improvements. Territorial implications of climate and demographic change as well as abilities to respond to them need to be explored. All politics have to pay attention to persisting disparities such as East-West, North-South as well as growing urban-rural divide. In that context, the Baltic Sea States Council asked the ministers responsible for spatial planning and development (VASAB cooperation)¹ in 2005 to prepare a long-term perspective for territorial development of the Baltic Sea region [1]. Later on, it was agreed to focus the work on issues which require transnational solutions. Those where transnational metropolitan networks as well as development of urban-rural situation in the area, moreover external and internal accessibility as well as introduction and development of maritime spatial planning into a European model case. Compared to previous efforts in that respect, there was a common understanding among all partner states that particular attention should be paid to the eastern part of the region, especially to Russia. With this objective, the project “East-West Window” was launched in order to better highlight Russian potentials for BSR development. Russian regions, especially St. Petersburg as well as Leningrad and Kaliningrad oblast took part intensively in that project. The results on the

¹ VASAB stands for “Vision and Strategies around the Baltic Sea“ which was the title of the first vision for spatial development from 1994 and became later on the synonym for the cooperation of ministers responsible for spatial planning and development of the countries around the Baltic Sea. For more information see: www.vasab.org.

themes mentioned above were later on presented to the Russian government but also incorporated into the “VASAB Long Term Perspective for the Territorial Development of the Baltic Sea Region” (LTP) [2]. The underlying processes and the key policy conclusion and actions on the three themes of that perspective document can be described as follows.

Innovation clusters, metropolitan networks and urban-rural cooperation

Although affected by the global economic and financial crises, the Baltic Sea Region belonged to the most dynamic regions in Europe over the last years. Strong economic growth was in particular characteristic for the eastern part of the region, namely the Baltic States, Russia and Belarus. However, huge East-West disparities persist especially with regard to economic performance, labour productivity, levels of income and living conditions. Given the previous growth rates, closing the gap is estimated towards the year 2030 [3]. Current policies have to support both, tackling the East-West divide but also making use of the current diversity. In general, the Baltic Sea Region can draw on its excellent preconditions for developing the knowledge society. Those are evident in high shares of personnel and expenditure for research and development, locations of a number globally leading enterprises but also numerous modern, highly productive small firms, highly developed education systems and business services as well as high degree of transnational networking and cooperation [4]. This is especially valid for a number of existing or potential innovation clusters which can build on cooperation across borders. Moreover, the settlement structure of the region supports such orientation through the existence of a network of metropolises and a relatively dense network of small and medium-sized cities. Certainly, development measures have to be adjusted as well to the low population and settlement density in the northern part of the area. Thus, flexible infrastructure solutions, extension of broadband supply, e-governance and telemedicine as well as specific support for business development and promotion of development alternatives are needed. This is especially valid also for large areas of Northwest Russia such as Murmansk oblast and republic of Karelia. Those areas could benefit from their urban centres and from potentials such as tourism, cultural and natural heritage, raw material and biomass etc. depending on the upgrading of the related infrastructure.

The BSR metropolitan areas have very much benefited from economic development and globalisation over the last years. Investigations on their foundations for future-oriented development however, still show significant differences [5]. There is for instance a significant lack of international decision and control functions as well as low participation in innovation activities, such as patent development in metropolitan areas of the Baltic States, St. Petersburg, Kaliningrad and Minsk[2, P.17]. Those metropolises and cities could benefit from more intensive networking with other metropolitan areas in BSR.

Positive development trends for metropolitan areas as well as of reducing development gaps between countries were at the same time accompanied by an aggravation of the urban-rural divide in the region. Because of economic (concentration of capital) and demographic (migration) reasons, those processes continue. The process is especially valid for Russia with its already now enormous socio-economic differences between urban and rural areas. Thus, economic development has especially benefited metropolises like St. Petersburg or cities like Novgorod, Pskov or Kaliningrad and their direct surrounding areas whereas differences to more remote rural areas increase [2, p.21]. A number of investigations and pilot projects towards new forms of partnership between urban and rural areas and towards a higher responsibility of metropolises for rural areas even in their wider vicinity were or are being carried out in a number of BSR countries, namely in Germany. Those concern for instance well-founded and defined networking towards knowledge-based economy (agreements, contracts), promotion of regional different branches including R&TD, administration, common regional branding, marketing and management, common financing, revenue sharing and compensation systems, common economic development efforts (localisation strategies, strategies to develop industrial estate, concerted actions to offer locations for service providers in rural areas (including e. g. architects, artists, ICT firms etc.), common governance structures (commonly agreed strategies and development concepts, projects, permanent institutions etc.), promotion events to foster common identity as well as common urban-rural projects. In that context, initial proposals were presented to the Russian government during the implementation of the project “East-West Window”[6]. The proposals were directed towards intensifying urban-rural cooperation through development of the legislative and planning framework and through initiation of demonstration projects.

External and internal accessibility

The Baltic Sea Region is characterised by a very specific transport situation and structure — a sea area in the middle of the region, a more peripheral location in Europe, large distances, partly low population and settlement density as well as harsh climate conditions (ice coverage especially in northern parts). Because of that situation, almost all means of transport are equally important for meeting the transport demand, with a specifically high share of sea and air transport [7]. The whole system is still fragmented due to the influence of borders which poses particular challenges to Kaliningrad region after the EU accession of Poland and the Baltic States [8]. External relations are not sufficiently developed to the neighbouring regions especially in the South and in the East (with continuation to Asia). Upgrading of connections follow very much the current demand and is insufficiently balanced with regional development. This leads often to deadlocks and bottlenecks and insufficient inter-operability between different means of transport and between transnational and regional transport systems. Main deficits con-

cern rail connections of the Baltic States to Central Europe, East-West rail and road connections via harbours of the Baltic States to Belarus and Russia, North-South connections from Scandinavia via East Germany and Poland to the Adriatic and Mediterranean Sea, East-West connections in the northern BSR a number of border crossings, the whole transport integration of Kaliningrad region and a number of inefficient track changes because different gauge [2, p.27ff.] The proposals for improving the external and internal accessibility in the Baltic Sea region will be discussed with national governments and with the European Commission in the framework of the revision of the TEN guidelines and will be further developed. Moreover, specific solutions are expected to be developed through a number of transnational Interreg projects for which the VASAB LTP provides initial ideas. Among them are pilot projects on intelligent sea transport systems including electronically monitored traffic routes.

Maritime spatial planning

The most important challenge for the countries in the region is the maintenance and sustainable use of the Baltic Sea itself as main common resource. The Baltic Sea is unique in the world as largest sea area of brackish water. Because of the high amount of pollutant inputs, the environmental status of the sea became alarming. Due to the insufficient mixing with fresh water from the Atlantic Ocean or the North Sea respectively, improvements cannot be achieved in short term. Beside the high water pollution, conflicts of use of the sea space between transport, fishery, tourism, building industry, wind-parks, flora and fauna etc. challenge spatial planning. Maritime spatial planning is still under construction and not even in place yet in some BSR countries [2, p.37ff.]. Although maritime spatial planning can built on experience of land-based spatial planning and needs to be developed closely together with the latter, some differences need to be considered. Those are for instance the higher importance of planning in three dimensions and differences in property rights. The differences between countries in implementing maritime spatial planning concern responsibilities, legislation, visions, principles, content and methods. In Russia, legal and operational basis for maritime spatial planning still needs to be developed. The same is valid for integrated management systems and establishment of clear responsibilities [9]. Although the Russian sea area (Territorial Waters outside Leningrad and Kaliningrad oblasts and Exclusive Economic Zone adjacent to the latter) is relatively small in the BSR, it is and will be intensively used [10, p.10]. It should therefore be managed and planned in harmony with the other Baltic sea areas. Moreover, Russia could make use of experience gained in the Baltic Sea Region for other Russian sea territories. It might not be necessary to unify spatial planning in all countries and to cover all areas by spatial plans at the same time. The ambition however is to achieve a common understanding and similar approaches and to develop the Baltic Sea Region into a best-practice region in that respect.

Integration potential of Kaliningrad region and North West Russia

Despite intensive cooperation, the territorial resources of North West Russia are still not sufficiently mobilised towards reducing disparities or meeting the development challenges of Russia, the Baltic Sea region and Europe. Beside natural resources for mining, processing, bio-energy generation or for recreation and tourism development, such “untapped” resources can be seen in fields like education, research, medical services, technology transfer and logistics. Russian industry is still very much oriented to the domestic market and lacks partly modernisation and skilled work force. Efforts like the introduction of the Special Economic Zone of Kaliningrad region or incentives like low labour and transport costs or tax privileges have stimulated the modernisation of import-oriented industry and increase of foreign direct investment. Moreover, small and medium-sized firms of Northern and Western Europe are about to outsource parts of their processes to Kaliningrad and other parts of Northwest Russia. Thus, in medium term also industrial cooperation might be enhanced in fields like information and communication technology, car industry, fish and amber processing, mechanical engineering. St. Petersburg and Kaliningrad are the main driving forces here. The VASAB LTP forecasts prospects also for enhanced cluster cooperation of universities, enterprises and administrations between St. Petersburg/Helsinki/Tallinn and Gdansk/Kaliningrad/Klaipeda [11, p.30ff.]. Experience of Western Europe has shown that border areas often benefit earlier from cooperation, provided that adverse influence of borders is mitigated. In that context, North West Russia is in an excellent position to profit from direct knowledge transfer around the Baltic Sea and vice versa. There is sufficient evidence on how far such cooperation takes place already [11, p.28f]. Russia can still make better use of that. Russia took part intensively in VASAB work on regional level (St. Petersburg, Kaliningrad) and on fully equal terms from the very beginning in the 1990s. It proofed however difficult to continuously involve Federal authorities in the working process. This led to the difficult situation that although VASAB LTP pays particular attention to Russian potentials, it was adopted without Russian representation. Efforts need to be undertaken to involve Russian authorities in implementing the foreseen actions. There is strong belief that experience from VASAB cooperation in the Baltic Sea Region can benefit other areas of Russia outside the Baltic Sea Region as well. This is the reason, why in Germany both, federal and regional (sub-national) authorities from Northern Germany take part in that cooperation although only the Northern territories (Länder) from part of the Baltic Sea Region.

Perspective Actions

The VASAB LTP is no abstract concept. As mentioned above, it foresees a number of concrete short- medium- and long-term actions. The long-term time horizon is 2030. There is reason to believe in prospects of success for implementing the LTP as it is

- discussed with many stakeholders which in turn were made responsible also for some actions,
- developed in close relation to other strategic concepts such as Baltic Sea Strategy of EU [12] and HELCOM Action Plan [13],
- agreed by ministers of Baltic Sea States,
- related to implementation programmes in the region, such as the transnational Interreg programme,
- connected with a governance structure (Committee on Spatial Planning and Development made responsible for implementation controlling).

In order to successfully implement the LTP, it is necessary to maintain momentum within the VASAB structures and to stay in contact with all relevant stakeholders or potential allies respectively. This includes as well to periodically update and adjust the implementation strategy and to better integrate spatial development objectives into sectoral policies and into other strategies, such as the EU Strategy for the Baltic Sea Region. Although key issues were considered in the latter, some important challenges are not sufficiently reflected yet. Thus, the challenges for urban-rural development and necessities for enhancing urban-rural partnerships need to be integrated when revising the respective action plan of the EU Strategy. An appropriate involvement of Russian actors is another essential for both, implementing EU Strategy and VASAB LTP. Beyond commitment of the national governments, of regional authorities and of transnational BSR organisations, a closer cooperation with the Council of the Baltic Sea States, with the European Spatial Planning Observation Network (ESPON), with the European Commission and with the Council of Europe is envisaged in order to implement the VASAB LTP. In that context, it might be possible to demonstrate VASAB cooperation on preparing and implementing the Long Term Perspective as common effort of EU and Non-EU countries with regard to the Council of Europe 15th CEMAT session in 2010 in Moscow.

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