

A New Wave of the Baltic Sea Cooperation on the Rise: Focus on St. Petersburg

by Esa Kokkonen

Since the revival of the Baltic Sea cooperation in the 1990s, the political agenda, structures and financing instruments for the cooperation have been more centred around challenges of the region than its opportunities. Topics and themes of concrete cooperation activities in the main fields of the Baltic Sea cooperation still mainly concern the solving of acute problems and prevention of environmental and other soft security related threats, as was the case already in the early 1990s. In addition to the still prevailing problem-solving and threat-prevention based approach to the Baltic Sea cooperation, new emerging themes of the cooperation - such as innovation, competitiveness and information society - are rising up the today's agenda for the Baltic Sea cooperation.

During the 1990s and early 2000s, the Baltic Sea cooperation was still characterized by projects and programmes facilitating the EU accession process of the Baltic States and Poland, and supporting Northwestern Russia in various development needs. This one-way approach with the ones who donate and the ones who receive assistance is now gradually disappearing. Today's Baltic Sea cooperation is based on reciprocity and sustainable and equal partnerships, and knowledge and good practices are moving in various directions across the Baltic Sea. The old EU member countries in the Baltic Sea region are benefiting from rapid economic growth and dynamism in the region's new EU members and Northwestern Russia. This dynamism and innovative spirit is well illustrated by various "tiger leaps" that are taken in different sectors in the Baltic States - such as the astoundingly rapid information society development in Estonia.

St. Petersburg alone, as by far the largest metropolis in the Baltic Sea region, constitutes a highly interesting testing ground, resource base, and first of all, an active developer and future leader of the above presented new wave of the Baltic Sea cooperation. Considering its population of 5 million, rapid economic growth, strong innovative capacity and knowledge base in its numerous world-class universities, the involvement and inclusion of St. Petersburg in practical forms of the Baltic Sea cooperation is still on a surprisingly initial level. There are various reasons behind the fact that majority of unutilized resources and opportunities of the Baltic Sea cooperation stand in St. Petersburg. On the one hand, political and economic structures of the Baltic Sea cooperation still mainly deal with the federal level of Russian politics and economy, whereas actual needs and opportunities concern the Northwestern district. On the other hand, commitment, approach and procedures of relevant stakeholders are still sometimes based on the set-up of the 1990s "old wave" of the Baltic Sea cooperation.

After Moscow, St. Petersburg is by far the second most important center of ICT and information society related expertise in Russia. There is a half a dozen world-class technical universities with major ICT programmes in St. Petersburg. This knowledge base has attracted various major international ICT companies, including Microsoft, Siemens and IBM, to establish their R&D centers in the city. There is also a strong business cluster on programming and software development in St. Petersburg.

When also considering that St. Petersburg city administration is strongly committed to information society development by actively developing eGovernment services and infrastructure, it is easy to understand the multitude of opportunities St. Petersburg offers for ICT cooperation in the Baltic Sea region.

Considering innovation promotion as another key theme of the new wave of the Baltic Sea cooperation, St. Petersburg again constitutes a highly interesting area. The development of the regional innovation system is among key priorities of business development and investment promotion policies in St. Petersburg. Various technology centers and science parks are currently under preparation, and there is a strong interest to utilize e.g. Nordic technology center and business development concepts and practices in St. Petersburg. Regardless of strong research and development capabilities and innovation potential in universities in St. Petersburg, there is a major deficiency as regards the ability to turn scientific potential into economic results. Furthermore, there are significant defects in the protection and enforcement of intellectual property rights (IPR), including an alarming problem of large-scale counterfeit production as the most visible sign of the IPR problem.

In spite of the rise of the new wave of Baltic Sea cooperation emphasizing more opportunities than problems, environment still remains as the most important sector of the Baltic Sea cooperation for a long time. The Baltic Sea is one of the most polluted seas in the world, and its condition is so severe that it takes decades to achieve significant and sustainable improvements. As regards the strengthening EU-Russia partnership and the Northern Dimension as key elements of the Baltic Sea cooperation, and the crucial position of Northwestern Russia and St. Petersburg in the region, it is noteworthy that the Baltic Sea region is continuously facing serious risks caused by insufficient nuclear safety in Northwestern Russia, and increased transport of Russian oil through the Baltic Sea. Furthermore, so far only initial steps have been taken in the development of effective wastewater treatment in Northwestern Russia. The above mentioned risks can be managed only in close cooperation between the EU and Russia, and with effective and dynamic structures and instruments for the Baltic Sea cooperation.

Both the above presented opportunities and challenges call for further development, innovative ideas and well-tailored financing instruments for the new wave of the Baltic Sea cooperation. On its part, the Baltic Institute of Finland (BIF) is actively contributing to this task through its versatile project portfolio with St. Petersburg. BIF projects in St. Petersburg encompass a variety of both bilateral and multilateral cooperation activities from IPR to environment protection, and from eGovernment to construction sector.

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