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**Cross Border Cooperation in the Baltic Sea Region:
Euro Regions and Region Building**

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Abstract Booklet

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Baltic Sea Regional Project: the Key Demand is for Cross-Border Cooperation

The Baltic Sea Regional Project (BSRP) is designed within the principles of the Large Marine Ecosystem concept, focusing on land-based, coastal zone, and marine activities including activities for improving ecosystem health and productivity, social and economic development, and provision of ecosystem management tools for decision-makers to address cross-border issues for the Baltic Sea. Political will and regional cooperation will be essential to achieve the objectives of the BSRP. Vital to the Project's success is the strengthened local and regional decision-making and management capacity, to understand and improve social and economic conditions in the eastern Baltic. Through institutional capacity building efforts and participatory meetings to address administrative, financial and technical regional matters as they pertain to the management of the Baltic Sea ecosystem resources, these activities will enable the recipient countries to contribute to the strengthening of local and regional institutions. As conflict of use and negative environmental consequences of human use become more obvious, collective responses at a variety of levels being to emerge as a governance profile. In seeking to move toward a governance system that is appropriate for ecosystem-based management, it is necessary to understand how existing institutional and cultural systems operate in the Baltic region with regard to their implications for the natural environment and its resources, and how needed change can best be accomplished given societal structures and norms.

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No future for the Council of Baltic Sea States? The implications of Baltic States' EU and NATO membership for the CBSS

The Baltic-Sea-Region is the product of a transitional period, established in order to reduce the uncertainty after the cold war. Many observers hold the view that the transition era is now approaching its end and a new international order is emerging. The Baltic States and Poland achieved their long term goal when they were invited to join NATO and EU. - The events of 9/11 accelerated this process.

When the group of Baltic Rim parliamentarians convened in 1991 for the first time, the BSR became the potential vision for regionalization in Northern Europe. The (re-) creation of the BSR was highlighted by the foundation of the Council of Baltic Sea States to patronize the introduction of western democracy into the East, to standardize the BSR, to meet the fears of being marginalized in a new Europe and to control a disintegrating East. - Guiding the transformation process in the Baltic States can be described as the primary motive for founding the CBSS.

During the last 12 years the Baltic States have fulfilled the western expectations and will take their places in the western core-institutions, soon. The CBSS is not longer required to patronize them and the need for a political forum to merge the national strategies within an integration Europe is rather limited. Interests and needs in the BSR still differ a lot and there is no evidence that in the foreseeable future the CBSS member states will act in concert within the Euro-Atlantic institutions.

– Even the Baltic States explicitly deny any willingness to work out neither a common EU nor a coherent NATO strategy.

The intentions of some western region-builders to create a new Baltic identity have not succeeded as had been hoped. Especially the eastern newcomers have been more interested in functional rather than in identity-political issues. In addition to that it is very probable that these States will focus their limited human and material resources on the more influential institutions: EU and NATO.

Therefore it seems that the states involved have lost much of their interest to develop and use the BSR and its most prominent organization – the CBSS.

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The community of destiny (Schicksalsgemeinschaft) in the Baltic Sea Region. National Socialist ideas or concepts concerning the Baltic Sea Region and the involvement of science, 1934-1945

For some high-ranking members of the National Socialist German Workers Party (NSDAP) the Baltic Sea Region was of significant importance. Two chief protagonists have to be mentioned in this context: Alfred Rosenberg, leader of the foreign political office of the NSDAP and deputized by Hitler as responsible for the spiritual and philosophical education of the Party, and the 'Reichsführer' SS Heinrich Himmler. For them the Baltic Sea Region was not only of geopolitical interest, rather of deep ideological meaning. For both the Baltic Sea Bowl was the starting point of the human race, the basis for the spreading of the Aryan or Nordic race to all other parts of the world. With reference to their views and to a common Germanic history Rosenberg and Himmler propagated several models of communities and unions at different times. These models involved Germany and Scandinavia as well as they could include parts of North-western Europe and the Baltics.

It was the task of the members of the scientific organisation SS 'Ahnenerbe', or Ancestral Heritage, and the 'Amt Rosenberg', the department of the Party's chief ideologist, to furnish proof the views of Himmler and Rosenberg and to promote the common Germanic origin in North and North-western Europe. During wartime the academic foreign institutions of the German Foreign Ministry, whose task was the promotion of German culture, worked at several places close together with the 'Ahnenerbe' and supported the 'Germanic work'. In some cases researchers from North and North-western Europe cooperated with the German organisations.

Rivalries between the different academic organisations prevented a joint concept and uniform appearance. Another difficulty was the inconsistency of ideology and political reality.

The debate on the role of the humanities in the Third Reich has been in focus since the mid-90s. However, this remains a somewhat neglected area, so we are mainly talking about academics representing the so-called 'Germanenkunde', including prehistory, German studies, Scandinavian studies, folklore, who helped to manifest and 'prove' the alleged superiority of the Germanic race, thus legitimating the National Socialist expansion policy. The presentation will discuss those scientists and disciplines that mainly focused on the Baltic Sea Region.

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Legal Framework for Cross-Border Cooperation and particularly Euroregions: An Introduction

This presentation aims at giving a short overview of the cross-border cooperation's legal framework in Europe from the international framework agreements, treaties and conventions to the bi- or trilateral agreements between national governments. The case of the Euroregions, as one of the most common cross-border structures, will be particularly focused on.

Since only few general directives are available for all of them, we will take the example of the legal framework of some well-established Euroregions, like the "Helsinki-Tallinn Euregio" between Finland and Estonia and the Euroregion "Saarlorlux" between France, Luxembourg and Germany. Thus at the same time we will be able to analyze the (legal) creation of an Euroregion, its organization, method of working and the content of cross-border cooperation within this structure.

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Regions in the market: the marketing of the Öresund

Using the Öresund as a case this paper assesses the current trend among European regions to 'market' their area. To analyse the strategy of 'place marketing', we first review relevant theories and then explore experiences in the Öresund. Especially in the EU where integration goes on and mobility grows territories increasingly compete to attract and retain residents, firms and visitors. Due to growing similarities in the regional 'hardware' (e.g. infrastructural, educational and leisure facilities), people's location choice is based more and more on such soft factors as the image of an area. The importance of this 'spatial cognition' for regional competitiveness forces areas to think about their identity, image and the reputation they wish. In trying to balance these elements, theoretically a strategy of place marketing (branding) may help. To assess this regional 'commodification' process in practice, we explore the case of the Öresund. Here, public authorities have presented the cross-border region as 'Øresund - The Human Capital'. Although the strategy often is highlighted as a 'best practice' – the brand captures several 'human' aspects (health, leisure, innovation), has a Nordic touch and is symbolised by the Öresund-link – one major problem has emerged: image and identity in the Öresund do not fit, which may frustrate the region's future development. The Öresund still is mainly an externally 'imagined' area, while the residents across the borders themselves do not have a shared identity yet. An important lesson, thus, is that external place marketing first requires a bottom-up process of 'internal marketing', i.e. building a common regional identity.

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The European Union and Border Conflicts: The EU's and Russia's North

The paper aims at exploring the meaning of borders but is also focusing on the conceptual lenses that the EU and Russia that these two actors apply as to the border issues emerging in the context of the Union's enlargement in Europe's North. Is the framing applied conducive to borders being conceptualised as zones of contact and seen as inviting for further interaction or comprehended, instead, as lines of exclusion and a site to be used in protecting oneself against external threats?

The contention is not that the parties apply very coherent, easily detectable and uniform conceptual frameworks but it is yet argued that there is a certain pattern to be traced, this then explaining why some friction has emerged but also providing insight into why borders between the EU and Russia do not appear to constitute a major source of conflict. A study of the borders policies of the Union and Russia is also viewed as providing guidance on the order that is on its way of emerging in northern Europe.

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Civic Education Project – Central Europe

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The Role of Academia in Fostering Cross-boarder Cooperation

More than 10 years Civic Education Project (CEP), an international non-profit organization, was actively involved in reforming higher education in Central and Eastern Europe, the former Soviet Union and Mongolia believing that universities seen as a public good hold a certain level of responsibility in preparing the future generations of responsible and active citizens in democratic societies. CEP's network of scholars touches hundreds of students, faculty, and broader communities in the areas in which they teach.

In line with CEP's general mission, but taking into account the new regional context, including accession to the European Union, and the potential CEP has developed in Central Europe, including Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Slovak Republic, the main goals for this region are to help: (1) develop the most promising social science scholars; (2) build local and regional discipline- or issue-based networks; (3) connect academics to the community in a meaningful way; and (4) build and maintain bridges between Central Europe and countries further east, through the transfer of skills and knowledge.

The paper aims at (1) presenting a case of Civic Education Project as an example of successful transnational cooperation in higher education, and (2) discussing the role of the academia in fostering cross-boarder cooperation in the Baltic Sea region, by emphasizing direct engagement of universities in the life of communities.

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Job creation and job destruction in Estonia: labour reallocation and structural changes

In this empirical paper we study job creation and job destruction in Estonia. Job creation is the sum of employment gains over expanding and entering firms, job destruction is the sum of employment losses over contracting and exiting firms. Job turnover is essential for economic growth and productivity improvement especially for transition economies.

Although some earlier papers have looked at that issue for Estonia, a country whose transition is considered a success story, the data we use allows us to draw much stronger and versatile evidence. The database we used is from Estonian Business Registry; it covers years 1995-2001 and includes all officially registered firms in Estonia (the total number of firms is about 58 thousand). Our data includes also small and micro firms (there is no size threshold), information on transactions (mergers, acquisitions, divestitures etc.), firms from different sectors (both manufacturing and services), and annual financial reports for all firms.

Our results showed that job creation and job destruction rates have been extremely high in Estonia and have not decreased recently, although worker flows (movements between labour markets states, like unemployment and employment) have dropped. We also found that the firm-specific component in job flows excess of employment change (i.e. the amount of job creation and destruction unexplained by general change in employment) had relatively lower importance than in western studies due to the emergence of small and medium sized enterprises sector and labour reallocation between broad economic sectors (from agriculture to services). The high inter-sectoral mobility has helped to maintain high levels of job flows, while both are high also due to favourable institutional environment (low costs of enterprise start-up) and high occupational mobility of Estonian workforce (made possible due to the good quality of human capital).

Keywords: job creation, job destruction, transition, Estonia

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Euroregion-building: Cross-Border Cooperation as a European Norm and the Socialization of Local Authority Actors in Border Regions

Since the end of the 1980s, there has been a proliferation of euroregions throughout Europe, the Baltic Sea region being no exception. This paper takes, as its point of departure, the position that the construction of such cross-border regions is an instance of region-building by a local elite, sponsored by the European Commission in partnership with various other European bodies – primarily the Council of Europe and the Association of European Border Regions.

Theories of norm diffusion and socialization are applied to develop an explanation for the spread of the euroregion as an institution – i.e. why have so many local authorities banded together to *build* euroregions? The argument presented is that through their energetic support for cross-border cooperation (the motives for this are also discussed), the European Commission and its partners act as *norm entrepreneurs* that socialize local authority actors in cross-border cooperation. Attention then turns to two issues that are closely related to each other: i) whether euroregions can transcend the nation-state; and ii) whether these elite-led region-building projects (can) represent real regions or action spaces for the local populace. The paper concludes that unless *euroregion-builders* consciously articulate powerful counterstrategies, the integrative and identificatory force of *banal nationalism* will keep the local population cognitively locked into their respective nation-states, and prevent the emergence of a transnational euroregional identity.

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Towards a regional civil society? Non-governmental actors and region-building in the Baltic Sea area

The aim of this paper is to discuss the development of the Baltic Sea area as an informal grassroots-based “bottom-up” region, and the potential emergence of a regional civil society based on transnational NGO networks around the Baltic Sea. The region-building process in the area is often analysed by political scientists in *New Regionalist* terms, as driven not as much by grand governmental cooperation schemes as by grassroots initiatives “from below” on the level of business and civil society. The strong role of non-state actors in this process is often emphasised by decision-makers in the region and by researchers alike. As the political relevance of regional governmental bodies such as the CBSS is predicted to diminish even more in connection with the EU enlargement this year, the growing number of cross-border non-governmental networks in the region begins to point to an emergence of an organized regional civil society in the area. This development seems to follow a global pattern where civil society actors increasingly organize themselves across national borders in order to gain more weight both domestically and on the international arena. This paper seeks to put the civil society scene in the Baltic Sea area in a global perspective, and to discuss its under-researched role in the region-building process.

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Regional cooperation around the Baltic Sea. Case of the Danish Cultural Institute

Introduction.

The Danish Cultural Institut (DCI) has during its existence from 1940 seen as its main aim spreading the information about Denmark and organising of cultural exchange with other countries, forming thus “a popular bridge” beyond the borders, on the basis of reciprocity, confidence and continuity.

The attitude towards the idea and notion of regionalism has been reflected from the outset of the DCI, as an organisation which branches are situated in different countries throughout Europe, thus firmly supporting decentralisation and democratisation and cross-border regional cooperation.

Conferences Europe of Regions

The following of the idea of democracy and regionalism has been manifested in launching the project by holding the Conferences Europe of Regions, which should give the people, believing in the notion of regionalism, from different parts of Europe to meet. The first of conferences was convened in 1976 in Elsinore, Denmark, in the Throne Hall of Kronborg Castle. Latest of the Conferences was held previous year in Skt. Peterborg, under the title:”Regionalism as Means for Promoting Democracy, Development and International Stability – the Case of the Russian Federation”.

The conference materials are being published in the periodical “Regional Contact”, sponsored by the Foundation of the International Understanding, founded in Denmark in the year of 1974.

Establishment situation of the DCI in the Baltics.

The DCI has played a significant role in the development of contacts with the Baltic States, being the direct contact instrument in the crucial years of the “Singing revolution“ in Estonia, the fight for independence in the Baltic region.

Here follows th story of the foundation of the DCI in Riga (1990), thereafter Tallinn and Vilnius:

- a political act (the significance of the first crucial days);
- support of the establishment (action of people, free democratic society);
- significance in the Baltic area (the first western actor in the field of culture in the Baltic States);
- first actions and responses.

DCI is an independent self-governing institution.

The mission of the DCI is to greate dialogue and sustainable networks and exchanges within arts, culture and society in the countries were we are represented.

DCI representative branches in the Eurpean countries and the main activity fileds.

The branches of the DCI have are in the following countries : Great Britain, Benelux; Germany, Poland, Hungary, Lithuania, Latvia, Estonia and from 2003 in Russia.

DCI provides:

- inrformation about Denmark and the Baltic States;
- contacts bemeen cooperation partners within fields of art, culture and society in Denmark and the Baltic States;
- conferences, seminars, symposiums, lectures;
- teachers exchanges – Job Swop;
- concert, exhibition, theatre exchanges;

- demonstration of Danish films;
- study-tours, folk high school exchanges;
- literary meetings, book presentations, writer`s visits, literary contacts;
- adult education projects;
- cultural management courses.

Filling thus the mediator role in the cross-border communication.

DCI in supporting the exchange of experiences – two ways traffic

From representing Denmark in the countries we work, have DCI always paid great importance to the two-ways communication.

Mainly it is seen in working in the following areas:

- local communities and their cultural activities;
- voluntary sports organisations;
- adult education; general education;
- cultural managers.

DCI programs involving several actors around the Baltic Sea

After it became possible to have contacts with the neighbours on the other side of the Baltic Sea, the DCI has been carrying out several bigger projects, involving several, sometimes all the countries in the area, also Sweden and Finland, though we do not have representative offices there.

- Copenhagen, Cultural capital of Europe (1996); special youth program where DCI played the main organisational role.
- Baltic Return (1999 – 2001); a three year festival initiated and arranged by DCI, participating 8 countries from the Baltic area.
- Baltic Festival in the Nordic countries (2002) where DCI worked closely together with the Nordic Council of Ministers offices.
- Øresund region festival (2001 – 2002). DCI had special assignments in connection of the festival, where representatives of all the Baltic region states participated.

New challenges for the new era.

The enlargement of the EU and the countries DCI is working with, joining the EU, gives new perspectives to the activities of the DCI.

Following the general ideas of the cultural cooperation in Europe, we stress the importance of:

- presenting the common values of the culture;
- widening the scale of activities and exchange possibilities in the area of cultural cooperation;
- supporting the activities characterised by the diversity of cultures;
- stressing the value of cultural exchanges for the humanity and development of democracy.

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Organisational changes in Baltic-danish Companies: a Learning Perspective

Descriptors: Experiential learning, the Baltic countries, management accounting, cultural factors, business system.

In the Soviet system management accounting has been absent and at company level book keeping has been the main task of the economic departments. In the emerging economies of the Baltic countries the middle level managers in Other economic departments often find themselves in a tense place between on one hand the top level management's new needs of economic information for decision making in a volatile changing market and on the other hand the developing institutional system with rapidly changes in the external demands from the government side. The new states are in badly need for tax revenues and accounting changes are often state driven. The lack of an accounting profession in the Baltic countries makes together with these developments the situation very demanding for the accounting people. Auditing companies offering integrated services in the Baltic countries have a central role in the daily operations of the company. The focus is on the work situation of the accounting managers and their behaviour in relation to how they as employees are socialized into participating in the work of the enterprise. The learning takes place on the job in a new field and therefore experiences or experiential learning is central in this project. The introduction of accounting systems is assumed to take place more rapidly in foreign cooperation. Danish companies in the Baltic countries are in general small and medium sized companies and the investment in the Baltics are often the first time investment in the Central- and Eastern European countries. The Danish managers are therefore not experienced with the business economics of these markets. The rapid changes in the environment also make it essential to consider learning based on experience. The aim is to identify the main factors, which are important for the economic decision-making at company level in this learning process at the different phases of the joint company cooperation. The phases are the pre-implementation phase, the implementation phase and the reaction phase. The empirical input are case studies of Danish owned companies in Estonia, Latvia and Lithuania. The work represents work in progress.

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Baltic Studies Master Program – the way for internationalization

Centre for Baltic Studies at the University of Tartu has several purposes of its activities. The main task is to develop multidisciplinary academic courses concerning Baltic region area. Currently the courses are taught in English at the undergraduate level and cover different regional aspects - society, history, language, culture and other subjects. On that basis, a master program is developed to start from academic year 2005.

Also the centre actively cooperates within network with other similar educational and research centres in the Baltic region. The purpose of the networks is to move from exchange of information and ideas towards a more intensive collaboration among Baltic universities. Several universities have been developing their own Baltic region studies (master) programs, but for further development all participants are interested in a much closer co-operation. The network building and development includes exchange of information; developing joint study programs (curriculum design); developing different academic study, distance education models and summer schools; co-operation between academic persons and coordinators.

Activities of the Centre are associated with the University's general policy to integrate more closely with international higher education networks and provide more attractive study opportunities to the international students.