Summary the workshops on the objective”Making the Baltic Sea region a prosperous place”

Stakeholder conference on 30 September 2008 in Stockholm

Both workshops were chaired by Sven Gunnar Edlund, Director, Head of Innovation Actors Division of the Swedish Governmental Agency for Innovation systems, VINNOVA.

The introductory presentation by Helene Vogelmann (VINNOVA) focused on the importance of building clusters across national borders. Within the framework of the 3-year EU project BSR InnoNet, 60 civil servants in 10 countries in the region are cooperating on 21 cluster initiatives in four different sectors. The aim is to develop transnational innovation system programmes for the Baltic Sea Region (BSR), to create capacity building activities, and to link SMEs in transnational networks and cluster initiatives thereby increasing international competitiveness. “Triple helix” would be a crucial component linking enterprises to researchers and the public sector.

Summary of issues raised by participants in the workshops:

- **Clusters** is an important element of innovation policy, regional policy and industry policy. Clusters emerge by bottom-up development. Governments cannot develop clusters but can provide right framework for competitive activities. Awareness rising of benefits of cluster policy (e.g. companies accessing larger export markets) is needed, also among governments.

- The “**triple helix**” concept is not yet fully developed in all countries. Good relations between public authorities, universities and companies are crucial to help enterprises become more competitive.

- Major large **infrastructure investments** (facilities for research) and **pooling of resources to support innovation and research** in BSR may be needed (joint BSR research programmes).

- As an offer to the other Member States (MS) and the Commission, Sweden proposed **joint development of two actions** in the BSR, i.e. to support cluster development for SMEs already being linked to R&D, and helping “normal” SMEs to take a first step towards clustering by getting involved in transnational SME networks. This was to be regarded as an open invitation to dialogue, and for this purpose Sweden would undertake to visit all MS by the end of the year. To facilitate this, people responsible for innovation would have to be identified within the ministries as well as within any governmental office equivalent to VINNOVA.

- The importance of **maritime clusters** was also mentioned. Potential areas for cooperation: labour market mobility - organisation of maritime careers, creation of qualifications for people to participate in maritime clusters, technology leadership, maritime environment, maritime transport, shore side electricity, wind parks, maritime spatial planning, maritime safety/surveillance etc.

- An **innovative environment for (new) enterprises** needs to be ensured. Knowledge based companies need to continue upgrading their skills and competencies. However, small MS have limited capacities to provide expertise with support from universities
Representatives from the trade union movement stressed the importance of having a well functioning and fair labour market with a well motivated and skilled labour force. The trade union movement in the Nordic countries is strong as compared to the much lower level of membership in Estonia, Latvia, Lithuania and Poland (10-15%). There are big gaps in working conditions in the BSR. To ensure an effective labour market a social dialogue would be needed.

Large enterprises, like for example the big shipyards, are dependent on a mobile labour market. Furthermore, different labour market rules in BSR make it difficult for private sector to employ staff from other countries.

The internal market is not functioning in a satisfactory way. A better implementation of EU legislation is required. There are gaps in the implementation creating difficulties, e.g. regarding quality and standards. There is a need to identify barriers resulting from this, and administrative cooperation tied to the implementation is needed. BSR should use cooperation fully and become best in class in Europe when it comes to removing barriers and aim at fast-track implementation. Issues related to external trade and cross-border customs efficiency should also be looked at.

There is a need for coordination of public procurement, and solutions should be demanded by governments. Innovation procurement and R&D inside the procurement was also referred to as an issue. Innovative public procurement strategies should be developed in order to support innovation.

Political will is required to solve the problem with cross-border services. Local and regional governments are major providers of services (transport, social services etc.). By opening up for competition in the services sector, they can serve as engines for the private sector.

The removal of barriers for mobility of all kinds was also highlighted. People to people contacts on equal terms are crucial to remove prejudices and change attitudes. Before doing business with each other people need to know each other. Knowledge of languages and culture should therefore not be neglected.

The advantage of a better integration of border areas was illustrated by an example from the Öresund region: Projections show that in the near future there will be a decrease of 80,000 people in the age group 18-64 in Denmark, whereas there will be an increase of 74,000 of the same age group in Sweden. Cooperation will help solving the problem with supply of labour force and also make the region stronger at an international level.

Several comments from the floor highlighted the importance of including an urban dimension to the strategy. Cities are drivers for economic development, centres for innovation, human resources and financial institutions and transport hubs. However, they also produce waste and pollution.
• The BSR also has large areas of forests and the forestry industry significantly boosts the GDP of the region and accounts for approximately 20% of cargo transported in the region. The region possesses a high level of knowledge, incl. advanced research.

• The importance of preservation of fish stocks was raised. Fish, and thereby also income, will have to be ensured for the future.

• Russia is involved in many networks in the region. It is one of the major trade partners in the BSR and is a fully fledged equal partner in CBSS.

More general comments:

• There is a need for the BSR to act as one, in particular as regards environment and energy security.

• A common media platform, involving public broadcasting, would be needed for communication to the public on all four fields of the strategy.