



Marek Belka, Prime Minister of Poland, rolled up his sleeves as Poland took over the CBSS Presidency from Estonia at the Laulasmaa summit on 21 June. To his right is Juhan Parts, Prime Minister of Estonia.

Photo: Erik Peinar

AT THE BALTIC SEA PARLIAMENTARY CONFERENCE IN BERGEN, NORWAY ON 30 AUGUST

Polish CBSS Presidency Sets Priorities

PRESENTATION BY ADAM DANIEL ROTFELD, STATE SECRETARY

Mr. Chairman,
Distinguished Members of Parliament,
Ladies and Gentlemen,

I would like to thank President of the Storting and the City Mayor of Bergen for their hospitality and the opportunity offered to us all to participate in this annual meeting of the parliamentarians of the Baltic Sea countries.

There is no need to say what a great pleasure for me is to visit this historical part of Norway, Bergen, the city linked with the name of the great composer Edward Grieg. Since the medieval Hanseatic times Bergen was the Norwegian city hav-

ing the closest relations with my country, as a centre exporting a large amount of stockfish to Poland. Nowadays other articles, especially industrial products, dominate trade with this city, reflecting the change in social and economic development.

The changes in the last dozen of years were indeed very fast and deep. Today, after the recent wave of the EU enlargement, a new political and economic environment prevails in the Baltic Sea region. The Heads of Government of the member states of the Council of the Baltic Sea States (CBSS), during their recent meeting in June in Laulasmaa in Estonia, presented their views

on the future of regional cooperation. In our view it was a good and fruitful meeting.

I will discuss some results of this meeting, since they serve as a reference point not only for the Polish Presidency in CBSS, but also for the period until the next meeting of the Heads of Government in 2006 in Iceland.

First of all, the participants shared widely the view that the Baltic Sea region after the EU enlargement will be one of the key regions in Europe, characterised by dynamic economic development and cooperation. CBSS, as the most important

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regional structure here, should strive to make the best use of the new opportunities offered by the enlargement and contribute to this development.

Secondly, in these new circumstances, CBSS has an even more important role to play, as a forum for political cooperation and overall guidance. CBSS should remain a structure of cooperation of equal partners, sharing common values. The Council should complement in particular the EU-Russia dialogue by enriching it with regional elements. Therefore, Russia's further participation in the regional cooperation is regarded as a vital issue.

Thirdly, CBSS should adapt itself to the new situation after the recent EU enlargement and – following some earlier decisions on reforms – undertake new necessary steps. CBSS should be efficient and flexible, target-oriented and ready to dismantle redundant structures. Duplication of work and unnecessary bureaucracy must be avoided.

The division of labour between various international organisations and structures operating in the region should also be promoted. There is also a clear need to bring closer CBSS and the Nordic Council of Ministers, since their current interests and activities overlap to a certain extent.

Fourthly, close cooperation with the European Commission should be maintained. This cooperation should benefit not only the reforms undertaken within CBSS, but also result in a better implementation of the EU policies, like the Northern Dimension and New Neighbourhood.

Finally, more emphasis should be given to the development of a civil society in the region. An important role in this respect will be played by cooperation at the local level, as well as by contacts in the fields of culture, education, sport, etc. Our cooperation should become more people-oriented and its results should be tangible for our fellow citizens.

Mr. Chairman,
Ladies and Gentlemen,

I would like to turn now to the priorities of the Polish CBSS chairmanship. Europe does not end at the EU borders. Hence,

our main priority is promotion of cross-border and interregional cooperation with our eastern neighbours. We especially count on an active participation of Russian regions – Kaliningrad Oblast, St. Petersburg, Pskov and others. We believe that their participation will enrich Russia's partnership with the EU and will enable them to benefit from the EU enlargement. I am very pleased to note here that the Russian regional authorities on various occasions – like recently in March during the meeting of the Committee of Senior Officials in Pskov - have expressed the conviction that EU enlargement is an opportunity to speed up social and economic development of their regions. Therefore, in view of their optimism and expectations I am convinced that EU enlargement will bring fruits to all partners in the region.

Keeping this in mind, we should also strive to export our positive Baltic Sea cooperation experience to our partners from Ukraine and Belarus and systematically involve them in the works of some intergovernmental and non-governmental structures. They are our closest neighbours and they do show strong interest in cooperation. We should make it very clear that the accession of the three Baltic States – Estonia, Latvia and Lithuania – and Poland to the European Union creates new opportunities also for their societies. Poland is even ready to support the observer status for Belarus in CBSS, provided that the necessary political reforms in this country, observing European standards, are introduced.

The next priority is the protection of the environment, especially safety of oil transport across the Baltic Sea. This is an issue of common concern of all nations living by the sea. Fortunately, so far we have not experienced any major accident in the Baltic Sea, with an oil-spill as a result. But it doesn't mean it cannot occur here. We must not spare efforts to avoid an ecological disaster in the region, in view of the growing traffic of vessels across the Baltic Sea. Such an event would have tremendous economic, political and social costs. Therefore, we are in favour of adopting preventive measures, especially those agreed upon within the framework of the International Maritime Organisation. These measures should em-

brace not only the construction features of vessels, but also readiness to combat oil-spills and other related activities. CBSS should continue to monitor the situation in this respect.

In the economic field Poland will promote various activities, since we are chairing now the Working Group on Economic Cooperation, the group on energy – BAS-REC, as well as the ad-hoc Working Group on Transport. However we are aware, that today most economic issues fall under the competence of the EU. Thus – a clear division of labour must be respected. Commissioner Kallas stated this very clearly in his statement to the Heads of Government in Laulasmaa. Progress in the prospective Russian membership in WTO implies also the need to evaluate the role of CBSS in the economic field.

As regards social integration, Poland will promote people-to-people contacts and various decentralised activities. I hope that the secretariats of regional structures located in Gdansk – like the Union of the Baltic Cities, the Baltic Sea States Subregional Cooperation and *Ars Baltica*, which are exceptionally well suited to promote these activities, will continue their engagement in the new political environment. Membership of the three Baltic States – Estonia, Latvia and Lithuania – and Poland in the EU, greatly facilitating contacts between people and business, may boost the activities of these structures, by further facilitating contacts and rendering access to new EU programmes and projects.

Speaking about the development of the civil society I am pleased to note the enhanced cooperation between regional parliaments in the southern part of the Baltic Sea, as agreed in April this year by the representatives of the German and Polish relevant bodies.

Regarding the security of the citizens I am pleased to note that the mandate of the Task Force on Combating Organised Crime initiated some years ago by former Polish Prime Minister, Włodzimierz Cimoszewicz and Prime Minister of Sweden Göran Persson has been recently extended by the Heads of Government until December 2008. Poland attaches consider-

able importance to cooperation in this field. I would like to stress that this is a genuine success story of CBSS. The results of this cooperation are clearly visible in the large number of criminal cases solved by the police. We should do more to promote this success in mass media, to show that our regional Baltic Sea cooperation has a direct impact on the security of our citizens.

A few words about security. I would like to mention here that just in 10 days from now, a high level international conference on "EU enlargement, Poland and the New Neighbours" will take place in Gdansk. It will be devoted to various aspects of non-military security – social, economic and civil ones. The conference is a joint Polish and Finnish effort. I was informed that some participants of our conference of today will take part in this event.

Mr. Chairman,
Ladies and Gentlemen,

Now I would like to refer to the two issues highlighted in the subject of my presentation – namely challenges and opportunities. The greatest opportunities for the Baltic Sea region should be seen in the following four areas:

1. Dynamic economic development, especially in the sectors related to the advanced technologies.

2. Strong regional ties, especially cultural, historical, social and educational. The Baltic Sea region, in spite of its complicated past, is able to demonstrate its unity and identity in the new Millennium.

3. Very rich network of decentralised organisations and institutions, complimenting and assisting the official structures created by the governments.

4. Strong EU political involvement, as evidenced in the European Commission's membership in the CBSS and the Northern Dimension policy. Also the EU-Russia Partnership, which to a large extent embraces this region, should be seen as an opportunity for enhancing the multilateral relations. We hope that the New Neighbourhood Instrument will contribute to the further development of the whole region as well.

There are two great challenges for the Baltic Sea region as well:

1. Defining the new role of CBSS after the EU enlargement. This is certainly not an easy task in view of the fact that the three Baltic States and Poland are also adapting themselves to the requirements of the EU membership. Hence the decisions on the reforms in intergovernmental structures in the Baltic Sea region must take into consideration the tasks related to participation in the EU structures.

2. Limited resources. Over the years many ambitious projects and programs have been elaborated in the Baltic Sea region. The implementation of many of them is either unsatisfactory, or it had to be suspended altogether, due to insufficient financing. Many countries have stressed this issue in the course of the work on the Northern Dimension Action Plan for the years 2004–2006. We hope, however, that the access to the EU planning, funds and resources will gradually enable us to solve this problem.

Finally, Mr. Chairman, I would like to say that we count very much on your support to the efforts of the CBSS and its Polish Presidency. Views and ideas presented here at the Baltic Sea Parliamentary Conference will enrich our activities. We are

convinced that strengthening the ties linking CBSS and the Parliamentary Conference of the Baltic Sea is necessary, useful and promising for the benefit both of parliaments and governments, and people of our countries.

May I conclude, Mr. Chairman, my remarks by referring to one of the best security analysts of the Baltic region, Professor Bo Huldt who recently published an essay on "The Post-Cold War Transition in the Baltic Sea Region: A Decade of Small State Activism." He wrote: "The decade of the 1990's, through fortunes of peace as we may say, offered a unique opportunity for small states' activism, for efforts to push the building of regional security, in accordance with the designs of the smaller regional powers, and that they also used these opportunities." Let's hope that process initiated with such a success in the 1990's will be continued and we will be able to achieve our common goals in the present decade and in the future to come.

I can assure you that the results of this conference and particularly your position on cooperation between the CBSS and the Parliamentary Conference will be reported to and discussed by the CBSS Committee of Senior Officials during its meeting in Gdansk next week.

Polish CBSS Presidency activities

Poland took over the CBSS Presidency at the 5th Baltic Sea States Summit in Laulasmaa, Estonia, on 21 June. The CBSS Chairman is **Mr Włodzimierz Cimoszewicz**, Minister of Foreign Affairs.

On 24 June in Warsaw, the Under Secretary of State in the Polish Ministry of Foreign Affairs, **Mr Jan Truszczyński**, hosted a lunch for the Heads of Diplomatic Missions of the CBSS member states and observers. Mr Truszczyński gave a short briefing on the CBSS Polish Presidency priorities and programme.

On 5 July Mr Truszczyński held a meeting to brief the press and media on the CBSS Polish Presidency priorities and Baltic Sea cooperation. Among those attending the meeting were **Ambassador Józef Wiejacz**, CBSS CSO Chairman, and the Polish representatives to the Task Force on Organised Crime, **Mr Ryszard Rychlik**, and the Task Force on Communicable Disease Control, **Professor Janusz Słusarczyk**.

Local Ownership is Essential for new EU Programmes

EXCLUSIVE BALTINFO INTERVIEW WITH DALIA GRYBAUSKAITE, LITHUANIA'S EUROPEAN COMMISSIONER

Baltinfo would like to offer its warmest congratulations on your nomination as the new Commissioner for Financial Programming and Budget. Since history will remember you as the first ever member of the European Commission from Lithuania, what are your main expectations from the job? How would you describe the significance of the Commission vis-à-vis other EU institutions?

Dalia Grybauskaitė: I would not want simply to reiterate high-sounding words about boundless possibilities for improvement and endeavour for advancement in each sphere of life – such a lot has been said on this theme in recent months.

Therefore I would like rather to stress another aspect of our society, namely that, unfortunately, not every opportunity leads to a substantive result. In order to enable expectations to be realised and historic opportunities to be seized, a real push is required – in the form of brave, wise and effective decisions. Today we have a unique opportunity to make those decisions. If we do not intend to be content merely with visions of the future, if we indeed are inspired to implement ambitious strategies and to create a safe, democratic and competitive EU, we should make decisions and act effectively not later, but now.

It is my conviction that time will not wait. This is my understanding regarding the mission of the institution in which I am working and my assignment within it. This also applies to my expectations for my new job.

Baltinfo: EU enlargement brought about a change in the Baltic Sea region (BSR). In your view, what is changing in the Baltic Sea cooperation following the enlargement?

Dr. Grybauskaitė: The difference of course is the greater presence of the Union in the

BSR, with four of the new Member States situated on the Baltic Sea. For the CBSS in particular, eight of the eleven member countries are now EU Member States, compared to two when the organisation was established in 1992. But what has not changed is the underlying need for Baltic regional cooperation, and the importance of the issues that this cooperation must address. The recent enlargement has increased the importance of the BSR, since it is the region in which the EU and Russia come most closely together, as neighbours and as partners. Russia's active involvement in our joint cooperation in the BSR and in the CBSS is the greatest asset of the organisation.

Baltinfo: Regional organisations evidently need to be even more cautious than before not to duplicate or overlap with other institutions, including the EC. It seems, however, that a lot remains to be done, particularly in fields outside the Commission's competence (such as civil security, investment promotion, the whole social sector, education and culture, to name just a few). How do you see the future regional approach in general? Further, on which issues should the CBSS concentrate in particular – taking into account the complementarities with EU activities?

Dr. Grybauskaitė: It is certainly important that the CBSS does not seek to do what we have decided together to do through the European Union. To illustrate this, I would highlight issues relating to the Single Market within the EU and the EEA, or to our trade relations with Russia. These are clearly areas which can only be dealt with at the Union level. And here I might take the opportunity to refer to the recent EU-Russia Summit, to the successful conclusion of our bilateral negotiations with Russia on WTO accession, and to the work that the Union and Russia will now carry forward on the common spaces, including the Common

Economic Space. These are issues which are of the greatest importance for the development of trade and investment in the BSR and more widely, but which could only be addressed as part of the EU-Russia dialogue.

I would also note that many of the other areas you mentioned are in fact areas in which the Commission plays an important role in coordination with, and with support from, the EU Member States, even where these areas are not within the exclusive competence of the Community.

However, there is certainly much which remains to be done in areas where regional cooperation in the BSR will be key, and where the CBSS confers an obvious added value. I would stress the CBSS' ability to reach out to the people of the whole Baltic Sea region, encouraging and promoting cooperation at the local and regional level, among a wide range of stakeholders including local and regional governments, the business and academic communities, and civil society as a whole. The CBSS can give a voice to the shared aspirations of the people of the BSR, and can help promote a shared vision of the future development of the region.

Baltinfo: The Russian Federation and the European Commission are equal members of the CBSS. What benefits would you see accruing from this fact to, firstly, the Baltic Sea region; and secondly, to Russia-EU relations?

Dr. Grybauskaitė: The Commission is delighted to play its full part in the work of the CBSS. And Russia's active participation in the CBSS is also a sine qua non for the success of our joint efforts. I would underline here that Russia is a key partner for the Union – as a global player, as an important bilateral partner, and also as our largest neighbour. Cooperation with Russia at the regional and local level is obviously only one part of the totality of EU-Russia rela-



Dalia Grybauskaitė is Lithuania's first European Commissioner, responsible for financial programming and budget.

tions, but it is a very important part, and it is a field in which the CBSS has a very important role to play.

Baltinfo: CBSS has made a major contribution to the EU Northern Dimension concept and the development of the ND Action Plan now in force. In which ways could this concept be strengthened within the EU?

Dr. Grybauskaitė: As you may know, the Commission made a particular effort to ensure that the CBSS and the other regional organisations were able to contribute to the preparation of the 2nd Northern Dimension Action Plan which came into force in January of this year, and we underlined in that document the key role which the regional organisations and their subordinate bodies should play in implementing the Action Plan. The Northern Dimension cannot be seen as "something that the Commission does". If that is the way in which it is perceived, and if all stakeholders in the region do not play their full part in working towards the goals set out in the Action Plan, then it will fail. This is why we very much welcome the input of the CBSS and the other regional bodies in both the formulation and the implementation of the Union's Northern Dimension policy.

I mention this to underline that the Northern Dimension is indeed a policy of the European Union as a whole, and not just something of interest to those EU partners who happen to be situated in the North. To illustrate the practical importance of this, I would draw attention to the wide range of substantial contributions made to the Northern Dimension Environmental Partnership, where in addition to the €50m pledged by the Commission, and the contributions from CBSS members Denmark, Finland, Germany, Russia and Sweden, there are also significant contributions from a number of other EU donors, including Belgium, France, the Netherlands and the United Kingdom.

Baltinfo: How do you evaluate the European Neighbourhood Programme's activities and potential? What does the Commission emphasise concerning the new Neighbourhood Instrument for 2007–13?

Dr. Grybauskaitė: The Neighbourhood Programmes for the period 2004–06 already mark a very substantial enhancement of our cross-border programmes, based on two key changes. The first integrates as far as possible the funding available on both sides of the border, so as to achieve joint priority-setting, calls for proposals, and project selection. And these joint tasks will be carried out together by the Neighbourhood Programme partners themselves. The second change we introduced was to increase as far as possible the funding available for these programmes; for our borders with Russia in the period 2004–06, we will have a total of some €11.0m per year available under Tacis funding, compared with an average of perhaps €3.0m a year over the previous three years.

I used the phrase "as far as possible" when speaking of the Neighbourhood Programmes, since there are limits to what we can do without changing the underlying legal and financial parameters within which we work. This can only be done from 2007, when we will be able to have fully joint programmes in the new European Neighbourhood Instrument. There will be a single source of funding and one single set of procedures from beginning to end. Thus, under the new Financial Perspectives, we will be able to devote substantially more resources to this essential area.

As regards the priorities which the Neighbourhood Programmes will address, we have already foreseen that the neighbourhood partners themselves will, within the general objectives set out by the Commission, identify the specific priorities applicable to each Neighbourhood Programme. In particular, these general objectives include working together to promote economic and social development in the border areas, addressing common challenges in fields such as the environment, public health, and the fight against organised crime, helping to ensure effective and secure borders, and promoting local people-to-people cooperation. But I would stress that local ownership will be essential for this programme to achieve its full potential.

And I am pleased that we can already see a very positive involvement of the local partners on both sides of the border. They have already worked hard to prepare the new Neighbourhood Programmes which should be adopted by the Commission during the summer, and we are looking forward to seeing concrete results very soon.

Baltinfo: Turning to the "North-South" tensions in the EU after the enlargement: Is it sensible that more EU money is spent on Morocco than on developing cooperation with Russia?

Dr. Grybauskaitė: On average over the past ten years or so, Morocco has received about €130m per year in grants under the MEDA programme, while Russia has received about €200m per year, on average, in grants under the Tacis programme since our work there began in 1991. In any case the two countries are very different, and the nature of our cooperation and its priority sectors are likewise very different.

I might add though that I'm not entirely sure what you mean by "North-South tensions in the EU". There may be differences regarding the priority issues which the EU wishes to address in the Baltic and in the Mediterranean. There can just as easily be differences in the priority issues which Västerbotten and Schleswig-Holstein might wish to address in the north and south of the BSR. But the underlying strength of the European Union is that all members have the opportunity to express themselves on all issues, and are prepared to act together, as the Union, in addressing these issues.

Tough Demographic Challenges in the Baltic Sea Region

BY TOMAS HANELL, RESEARCH FELLOW, NORDREGIO

Current demographic development in the Baltic Sea region (BSR) is characterised by intense excesses. In this respect the region, on the one hand, is host to some of the strongest population concentration tendencies in Europe, and on the other, simultaneously displays some of its worst cases of depopulation. In many instances these patterns are interlinked spatially and in one way or the other this maelstrom affects most countries, regions and cities in the area. Needless to say, a balanced demographic development would favour all actors within the region. Remedies therefore need to be found in order to cope with this challenge, or at least to combat the negative effects of these events.

Cities and urban regions are today seen as the main engines for economic growth and competitiveness in Europe. This holds especially true for regions with a comparatively small population and a sparse settlement structure where a concentration of efforts is often the primary means of addressing the lack in volume. In many respects the BSR fits this pattern, albeit with internal variations regarding the urban landscape, roughly embodied in a distinct north-south dichotomy. Indeed, in comparison with Europe's other meso-regions, the spatial structure of the BSR is unique, positioned as it is between the densely populated continental Europe on the one hand and sparsely populated sub-arctic areas on the other. Furthermore the present settlement pattern is a reflection of the historic development of the different countries. Whereas the southern BSR was already urbanised in medieval times the northern BSR has an urban landscape largely formed by the emerging industrialisation of the late 1800s. Finally, when combined with the large societal and institutional changes in the region that have occurred during the last decade (both in the East and the West), the demographic consequences have been substantial for cities and rural areas of the BSR alike. The results of these dramatic changes have taken a multitude of courses, but in demographic terms the BSR is today characterised as a divide between north and south on the one hand and east and west on the other.

The role of the City in the national settlement structures of the region differs substantially depending on the part of the region from which it is being observed. Nev-

ertheless, in the BSR as a whole, cities act as the main transport nodes, as centres of economic and political decision-making, as gateways for foreign direct investment, and as the main milieux for R&D etc. The demographic development of the cities is thus also of great interest, as these are the areas that are most likely, at least for the foreseeable future, to steer the economic and societal development of the region. But first a short venture into national figures so as to set the overall context for this topic.

East west divide

In demographic terms – and on the national level – the BSR is divided in two parts. Overall demographic development in the Nordic countries (including Iceland) has been overwhelmingly positive (Figure 1). Albeit at a lower level, the trend is also encouraging in Poland and northern Germany on average. These figures stand in stark contrast to the development in the Baltic States and northwest Russia. The situation in Belarus lies between these two extremes.

Estonia is the worst hit. In the ten-year period 1991-2001 the Estonian population has decreased by nearly 200,000, or more than 12%. Similarly, the decrease in Latvia amounts to well over 300,000 or nearly 12% of the country's population. In sheer numbers the fall in population (700,000) has been greatest in northwest Russia. This is the basic outline. Moving to the urban and regional level, the picture becomes more complicated.

Population changes stem from two primary events, i.e. the balance between births and deaths (natural change) on the one

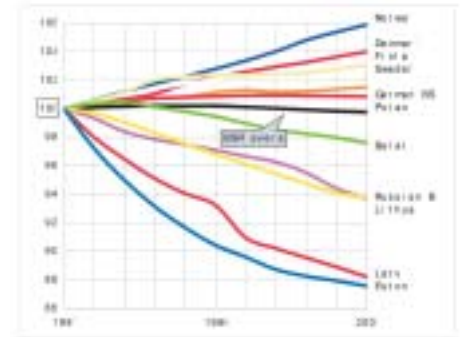


Figure 1: Population change in the BSR 1991–2001, index 1991=100

Data source: National/Regional Statistical Institutes, Nordregio

hand and the balance between those moving in and those moving out (net migration) on the other. From a policy point of view these two forces pose slightly differing challenges, and if combined, can for the single country, region, city or locality, prove to be disastrous in the long run. Figure 2 depicts these two developments during the period 1995–2001 for 951 BSR cities with more than 10,000 inhabitants. The size of the city population is reflected in the size of the circle. Data for all 103 Russian and all but 7 Latvian cities is lacking and net migration rates for Estonian and Lithuanian cities are estimated on basis of total population change and net migration. For clarity, the graph also excludes several extreme cases. All data is presented as annual averages.

Firstly the diagram reveals that, for cities, migration is the primary cause of population change, as the variations on the hori-

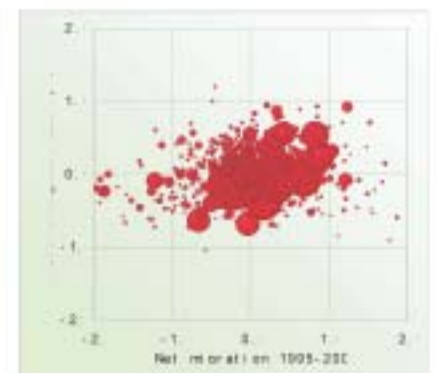


Figure 2: Net migration and natural change in BSR cities 1995–2001

Data source: National/Regional Statistical Institutes, Nordregio

zontal axis are larger than on the vertical one. Secondly, the picture discloses the wide variety of changes, seemingly completely without correlation to city size. This of course is not true, and were the data adjusted for different countries (or in the German case, regions), then a clear-cut pattern would emerge. And this pattern resembles the countrywise graph above. Thus, amongst the top performers (upper right corner of the graph) are primarily large urban regions, whereas most small and medium-sized cities are clustered around the centre. Without exception all large cities displaying negative trends (lower left corner) are eastern ones, mainly in the new German Länder, the Baltic States and parts of Poland.

Overall, therefore, there is a certain correlation between natural population growth on the one hand and inward migration on the other, not at least in the Nordic countries. In general, urban areas with a large number of inward migrants are also those where most babies are born. At the other end of the scale – not depicted in the graph above at all – are all rural areas of the BSR. In most rural areas in Sweden, Finland, the Baltic States, Belarus and easternmost Poland, demographic development is strongly negative. Outward migration to the cities or abroad, combined with a low level of fertility, adds to the often already precarious settlement structure.

Development in cities

Not unexpectedly, urban demographic development is tightly knit with that of the overall national (or regional) one. Thus, with small variations, there is a dichotomy between east and west. Most cities on the eastern shore of the Baltic Sea are still losing population, although many predicted or hoped that the near catastrophic development in the early 1990s would gradually ease off.

Parts of Poland and Belarus are the primary eastern exceptions. In Poland there has since the mid-nineties been a profound shift in favour of medium-sized cities whereas most large urban regions are today losing population. In Belarus the capital Minsk stands out as the clear winner.

In BSR Russia, Kaliningrad is the only major town not losing population. In ab-



Figure 3: Population change in BSR cities 1995–2001

Data source: National/Regional Statistical Institutes, Nordregio

solute terms St Petersburg and Murmansk are the primary losers. In relative terms the more northerly ones (in Murmansk Oblast) have been worst hit. Similarly most cities of former East Germany have severe difficulties in this respect. However, this is not only restricted to the New German Länder since several large cities in northwest Germany, such as Kiel, Bremen, Bremerhaven, Neumünster and Celle, are also being drained of their inhabitants.

Interestingly, several smaller settlements, e.g. around St Petersburg, Warsaw and Berlin, are growing very rapidly, a clear indication of suburbanisation tendencies and urban sprawl, something apparently no longer earmarked for western cities alone. This preferential pattern with regard to more spacious living is likely to create a pressure on land use and the transport infrastructure, as a majority of the jobs still are to be found in the core areas of the larger cities.

In sharp contrast to these dispersive patterns is the development in the Nordic countries. In absolute terms the population of the BSR cities has grown fastest in Helsinki (81,000 new inhabitants over the

six year period) and Stockholm (76,000). Oslo, Copenhagen, Gothenburg, Tampere, Oulu and Malmö are also amongst the top ten BSR cities in this respect. In relative terms nearly all Nordic large or medium-sized cities stand out as having exceptionally high growth rates. Of the one hundred BSR cities with the fastest relative growth, 54 are in the Nordic countries, a substantial share considering that the Nordic countries only account for a quarter of all BSR cities. The Nordic hegemony in this respect is only rivalled by developments in northeastern Polish cities, mainly in Warminko-Mazurskie and Podlaskie voivodships. But there are also differences among the Nordic countries. Whereas both net migration and natural change constitute the driving force in most Danish, Finnish and Norwegian cities, in Sweden (with the major exceptions of Stockholm,

Uppsala, Gothenburg, Malmö) most of the positive dynamics stem from migration alone. Furthermore, in Finland and Sweden the small towns have also taken a proverbial beating while this has not been the case in, for example, Denmark or Norway.

Needless to say, too great a population growth not only enhances the local tax base but it also creates new challenges for city officials. Lack of public housing, overheated private housing markets, traffic congestion, strained public service provision, urban sprawl, and other related issues represent the downside of the equation.

Wrapping it up ...

As a conclusion, the BSR is in terms of demographic development a divided region. The dimensions of east versus west, north versus south, large versus small and core versus periphery all play an intricate part in moulding the future settlement pattern of the region. One thing is certain, though. The current concentration tendencies are not sustainable in the long run and political remedies therefore need to be found in order to cope with this challenge, or at least to combat the negative effects of these events. As fewer taxpayers in one place mean more congestion in the other, a more balanced demographic development would in the long run favour all actors within the region.

Reassuring Summit in Laulasmaa

Another milestone in Baltic Sea region cooperation was reached when the Prime Ministers of the CBSS countries convened in Laulasmaa, Estonia, on 21 June 2004. The 5th Baltic Sea States Summit was indeed an historic event. Taking place just a few weeks after EU enlargement, the Summit provided an excellent and timely opportunity to look at the new situation in the region and draw conclusions thereon.

The future of Baltic Sea regional cooperation and the role of the CBSS were key topics considered by the Heads of Government. With the expectation that EU enlargement "...will create new opportunities for deepening regional co-operation among the Baltic Sea states and all partners involved in enhancing the prosperity of the Baltic Sea region." They stressed the need for further strengthening the position of the Baltic Sea region "...as one of the most dynamic areas on the continent," which provides "...a model of sustainable economic and social development." (For full information on the Summit please visit our website www.cbss.st)

The over-all coordinating role of the CBSS in the Baltic Sea region was reaffirmed at the Summit. Reflecting the new realities on the ground, the Heads of Government pointed out that "...the CBSS provides a valuable additional framework for constructive interaction between the EU and Russia. It should continue and develop this role as appropriate, for example in the context of and drawing on the experience of the EU's Northern Dimension policy, with respect to the interests of all countries in the Baltic Sea region."

The Summit, furthermore, stressed that "...the Baltic Sea region will remain a testing ground for ideas and mechanisms aimed at reaching agreed objectives," whose experience can be taken into account also in

other regions. For the CBSS there is no room for complacency. To retain and further develop our central role as a regional player we need to be "...flexible, dynamic and innovative, and respond promptly to new demands," also in the future.

The CBSS cannot fulfil its task in a vacuum. The Heads of Government encouraged increased cooperation with other regional bodies, mainly with the Nordic Council of Ministers, the Barents Euro-Arctic Council and the Arctic Council. In order to lead to concrete results improving coordination and enhancing implementation of specific priorities and projects in the context of Northern Dimension was emphasized, as well as the importance of cooperation with international financing institutions. Cross-border cooperation can be mentioned as one of the fields where this work has already been undertaken for some time.

At their meeting preceding the Summit, the CBSS Ministers' Deputies agreed upon new Terms of Reference of the CBSS Secretariat. This evidently helps in consolidating the work of the Secretariat in servicing the organisation. Under the new Polish CBSS Presidency, we are looking forward to new Terms of Reference for the CBSS proper.

The name Laulasmaa can be translated as "The Singing Country". While the Prime Ministers hardly had time for singing themselves, they provided a convincing reassurance that the Baltic Sea orchestra and choir play under a professional leadership. Also otherwise, music was very much a part of the Summit. A highlight was the launching by Prime Minister Parts of the "Baltic Sea Festival" CD, a highly interesting compilation of Baltic Sea music, with artistic quality guaranteed by maestros Esa-Pekka Salonen and Valerij Gergiev.



Hannu Halinen, Director of the CBSS Secretariat

Baltic Sea Calendar 2004

SEPTEMBER

- 8–10 B7 Islands Conference – Nature protection and sustainable tourism in the Baltic Sea Region
Isle of Vilm, Germany
- 9–10 Committee of Senior Officials (CSO) meeting
Gdansk, Poland
- 9–10 Working Group on Economic Cooperation (WGEC) meeting
Gdansk, Poland
- 10–12 The Finnish Committee for European Security (STETE), seminar
Gdansk, Poland
- 12–14 6th Annual Baltic Development Forum (BDF) Summit
Hamburg, Germany
- 15–17 3rd Meeting of the Directors General of Civil Protection of the CBSS
Vilnius, Lithuania
- 23–25 Ars Baltica Forum
Gdansk, Poland
- 30 Sept–1 Oct 9th Meeting of the CBSS Prosecutors General
Copenhagen, Denmark



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