



SMARTCOMP

SMART COMPETITIVENESS FOR THE CENTRAL BALTIC REGION

Policy briefing paper

1st Policy Development Roundtable

Introduction

On February 12, 2013, at Meriton Grand Conference & SPA Hotel in the city of Tallinn, Estonia – the 1st SmartComp policy development roundtable was held to unfold questions under the topic “Towards Green & Efficient Maritime Cluster in Central Baltic Sea Region”. The event was dedicated to the challenges faced by the maritime clusters in the region caused by tightened environmental regulations, global competition, rising cost levels and lack of qualified workforce.

The event was organised by the SmartComp – Smart Competitiveness for the Central Baltic region project aiming to support smart and environmentally sustainable growth and cooperation of maritime clusters in the Central Baltic region. The SmartComp project is partly financed by the Central Baltic INTERREG IV A Programme 2007-2013. The event provided a unique opportunity for maritime triple helix actors to discuss current issues in the maritime field.

The roundtable comprised of two sessions. The first session, chaired by Professor Alari Purju from Tallinn University of Technology, focused on the topics of global competition, national cluster developments and recent developments in national maritime policies. The second session contained a panel discussion moderated by Raivo Vare, former Minister of Transport & Communications of Estonia. The main themes of the panel discussion were maritime cooperation in the Central Baltic region, human resources and education and critical problems related to regulation.

The 1st SmartComp policy development roundtable demonstrated positive prospects for further cooperation in the Central Baltic region. Over 60 maritime triple helix representatives from Finland, Estonia and Latvia all agreed that developing common approaches to answer common challenges is the only way forward. Based on the speeches, discussions and ideas brought forth in the Tallinn roundtable the following recommendations have been prepared. The aim of the recommendations is to increase the Central Baltic region maritime clusters competitiveness in relation to other emerging maritime industry concentrations globally. These recommendations will be further refined and developed in the final SmartComp policy recommendations publication targeted to decision making authorities in Finland, Estonia and Latvia.

Recommendations:

1. **To combine forces in order to remain competitive** against global competition.
2. **To develop the maritime education system in the region** into a dynamic and knowledge distributor, creating professionals for the maritime sector according to the need of the industry.
3. **To discuss rules regarding taxes, working conditions and wages in the Central Baltic region** and seek for ways to avoid them acting as elements of unfair competition.
4. **To increase collaboration in regard to EU positions.**
5. **To increase dialogue between different stakeholders locally, nationally and regionally.**
6. **To clarify the authority and responsibilities on maritime issues between different ministries** in each country.
7. **To define common environmental standards** in the Baltic Sea region. To find common ground regarding the coming SECA regulation and see it as an opportunity to be first movers.
8. **To increase port efficiency.** There needs to be developed means to take full capacity of the ports in the region.
9. **To create a common brand** for the maritime sector of the region.

The Central Baltic Sea region comprises multiple maritime clusters including different directions of trade flows, competitive positions, market structures, products and agents. The fact that there are so many variables creates challenges for closer national and regional cooperation. At the moment we are witnessing insufficient or even absent coordination in particular in education, communication and regulation issues.

Cooperation through education

A good starting point for increasing cooperation in the region is through education. There are many maritime education units in the region offering students a variety of maritime degrees and subjects. This creates the situation that the different units are competing between each other instead of benefiting from each other's expertise. To retain resources and promote the idea of centres of excellence it would be important to clarify the focus areas of each maritime education

unit. This needs to be done nationally, taking into account regional opportunities. English language should have a larger role in the language of instruction as the business field is mainly an international one. Increasing the amount of subjects touch in English would boost student exchanges and create the possibility for a joint BSR maritime programme at master or PhD level.

Another aspect regarding education is to increase industry involvement in developing and planning the education curriculums, on-the-job learning and competence exams. There needs to be a correct balance between practical knowledge and theoretical knowledge. Active involvement from the industry side would help the education units to provide professionals with skills needed by the industry. This would also enhance networking which could improve employment opportunities. Cooperation should also be increased in the form of maritime research in which one possibility would be to have a joint training vessel in the Baltic Sea region.

Increasing communication

Cooperation in communicational issues should be tackled from various angles. First of all a common brand should be created for the regions maritime sector, in which the region specific features could be promoted and advertised. The brand should be directed for external and internal use. It could be used for promoting the region as a globally attractive maritime network, and internally, to attract talented and motivated people to get involved in the industry. At the moment each country is facing the same problem that the attractiveness of the industry has decreased considerably.

The second aspect in communication issues is lack of communication and involvement of different stakeholders in policy making and legislation drafting. All maritime triple helix actors should be involved in planning and developing national maritime policies, and the regional aspect should be involved in these processes. There was also seen lack of dialogue within the industry itself. One solution for this would be to create a common portal in which all industry specific issues could be reported and discussed. The portal could be either national or regional, most importantly it would give the opportunity to share information and raise questions.

Regarding the coming SECA regulation, the directive needs to be treated as an opportunity to be innovative, flexible and more efficient. The direction of having cleaner shipping is something worth

achieving in the region. There needs to be found ways together to balance the economic and environmental interests. At the moment each country is handling the issue very separately and no confirmed solutions have been found. There is no need to come up with a number of answers from a number of different actors when one good solution can be created in cooperation which could serve the needs of all stakeholders.

Conclusions

The maritime clusters in the region are each quite small in a global scale, but essential for each country. The actors in the region are in some sense collaborators and in some sense competitors. Even though they compete, there are many issues which can be coordinated better. It is important to see in which sectors collaboration may be more effective and beneficial. It is a common goal to keep competence in the region, to act as a first mover, and to be an attractive partner in the global market. For achieving this there needs to be found ways to increase communication and cooperation regionally. At the roundtable the most potential was seen in research and education cooperation, yet it is important that the need for regional collaboration is recognised especially by the private sector.

SmartComp project will organise the 2nd policy development roundtable on the 22nd of May in Turku with the theme “The Future of Maritime Clusters in Central Baltic Sea Region and Russia”. The event will look at the opportunities of the region’s maritime sector in regard to Russia. A policy briefing paper based on the event will be published at the SmartComp webpage during August. SmartComp project will publish in December 2013 an extensive policy recommendations study for decision makers, in which the issues discussed in the briefing papers will be further elaborated and turned into concrete actions.

This briefing paper reflects the author’s view and the Programme’s Managing Authority cannot be held liable for the information published by the project partners.



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