

MAY 2014
ISSUE NO.

3

SPECIAL ISSUE

ON SOUTHWEST FINLAND



KARI MÄKINEN The
Baltic Sea – a meeting
point for ecclesial
traditions



PETTERI ORPO Turku and Southwest
Finland – active in business and
cross-border cooperation



ALEKSI RANDELL
Turku Pro Baltic
– long term
commitment
for Baltic Sea
cooperation

JUHO SAVO
The Baltic
Sea – on my
mind





BALTIC RIM ECONOMIES

The Pan-European Institute publishes the Baltic Rim Economies (BRE) review which deals with the development of the Baltic Sea region. In the BRE review, public and corporate decision makers, representatives of Academia, and several other experts contribute to the discussion.

Pan-European Institute

ISSN 1459-9759

Editor-in-Chief | Kari Liuhto
(responsible for writer invitations)

Technical Editor | Saara Majuri

University of Turku
Turku School of Economics
Pan-European Institute
Rehtorinpellonkatu 3
FI-20500 TURKU, Finland
Tel. +358 2 333 9567

www.utu.fi/pei



EXPERT ARTICLES

KARI MÄKINEN	4	RIKUMATTI LEVOMÄKI	20	TAPIO REPONEN	35
The Baltic Sea – a meeting point for ecclesial traditions		Life science city Turku – real triple helix		University of Turku has an active participation in Baltic Sea region development	
PETTERI ORPO	5	HANNA HALME	21	JUHA KETTUNEN	36
Turku and Southwest Finland – active in business and cross-border cooperation		Global human and environmental health company in Turku – making a difference, every day		A glimpse at the migration flows in the Baltic Sea region	
JUHO SAVO	6	JAAKKO SAARI	22	MARKUS GRANLUND	37
The Baltic Sea – on my mind		Growing opportunities in eCommerce all around the Baltic region		Looking at research and education in business and economics from local and global perspectives	
ALEKSI RANDELL	8	VESA MARTTINEN	23	URPO KIVIKARI	38
Turku Pro Baltic – long term commitment for Baltic Sea cooperation		Regional marine industry		Turku – “Baltic city”	
KARI HÄKÄMIES	9	BO ÖSTERLUND	24	NIKLAS ÖSTERLUND	39
Work before everyday security is rewarding		Our national economy relies on our maritime traffic – true or not?		Sports – a bridge across the seas	
KALERVO VÄÄNÄNEN	10	HANNU KOTTONEN	26	JUHA JÄRVINEN	40
The future lies in the hands of the youth		HKScan – from Turku to the Baltic Rim markets		Communities, individuals and cultural history among Baltic and Nordic male choirs	
MIKKO KETONEN	11	SAM HANSÉN & ILPO MANTERE	27	KARI IMMONEN	42
Economic growth is the best guarantee for the protection of the Baltic Sea		Surfing on the waves of emotion across the Baltic		Monuments for men or monuments men? (Best) possible scenarios for visual arts	
KARI TAKANEN	12	ANNE-MARGET HELLÉN	28	MAIJA PALONHEIMO	44
Maritime security at the Baltic Sea		The Baltic Sea – a top travel destination of the future		Film city Turku	
JUKKA SAVOLAINEN	13	SARI RUUSUMO	29	RAIJA-LIISA SEILO	45
Coast guards – cooperating internationally for the security of the Baltic Sea area		Destination for friendship		Turku and changing cultural climate in the Baltic Sea region	
TAPIO HUTTUNEN	14	JANNE TIENPÄÄ	30	RIITTA AHDAN	46
The Baltic Sea – a sea of cooperation		Focus on tourism – case Finland		Cooperation challenges in the regional context	
ARTO HONKA	15	MIKKO LOHIKOSKI	31	BJÖRN GRÖNHOLM	47
Customs as a facilitator of trade from the early days of history to the present and the future – with a Turku twist		Cities as key actors in regional cooperation – the Turku Process as example		Increasing role of cooperation – again	
PEKKA SUNDMAN	17	KAUKO JÄMSÉN	33	SALLA-MARIA LAUTTAMÄKI	48
The role of Finnish marine industry in Baltic Sea area		Small is beautiful in the Baltic Sea region		A clean, productive and shared Baltic Sea	
KARI VAINIO	19	KRISTA TAIPALE	34	KARI LIUHTO	49
Turku lies at the heart of the Baltic Sea		Smart development of Baltic Sea region at the core of EU funding programmes 2014–2020		Build common strategies to avoid common tragedies	

KARI MÄKINEN

The Baltic Sea – a meeting point for ecclesial traditions

Expert article • 1556

The Baltic has always been seen as a sea of connections by the churches. Seafarers, tradesmen, soldiers and itinerant monks brought Christianity to these shores. This is as true of my home town Turku as it is of any Baltic medieval city. The sea connected our ancestors with the rest of Europe, its culture, commerce, philosophies, politics and religion.

From the outset, however, Christianity arrived in two distinct traditions: Eastern Orthodoxy and Western Catholicism. Western Finland came under the Catholic Church through Swedish missionary endeavours which were led by an Englishman, St Henry, whereas the easternmost parts of Finland became Orthodox through the missions of St Sergius and St Herman on the shores of Lake Ladoga. The integration of Christian values and faith took time, as did that of the early migrants. The Legend of St Henry vividly records his martyrdom at the hands of local peasants in the middle of the 12th century – although significantly those peasants had Christian names.

The city of Turku came to prominence with the translation of Henry's remains to the newly built cathedral in 1300. The cathedral was dedicated to the Blessed Virgin Mary, whose monogram may still be seen on the city's coat of arms. Yet there is more to the cathedral: in addition to altars dedicated to the Blessed Virgin Mary and St Henry, the medieval cathedral had altars dedicated to St Erik, St Christopher, St Mary Magdalene, St Catherine of Alexandria, St Catherine of Siena, St Bridget, St Ursula, St Margaret, St Barbara, St Helena, St Anna, St Gertrude and St Veronica. These eleven female and two male saints connected the Cathedral and the city with European and Mediterranean networks of faith, commerce and culture, as evidenced by the formation of pilgrim roots and religious orders.

At the Reformation, the cult of the saints gave away to Lutheran principles. The new piety came to Finland via Turku, especially through the work of Mikael Agricola, the Finnish reformer, who later became Bishop of Turku. Although the vernacular replaced Latin in worship, links with the rest of Europe remained, with a strengthened emphasis on the Lutheran areas of the European North. Finnish students, for example, were now sent to Germany, whereas before they had studied in Catholic universities all over Europe.

During the period of confessionalism, when the Swedish Empire was at its height, the Baltic Sea almost became a Lutheran 'mare nostrum'. However, its potential as such was never fully realized, as constant wars between the Roman Catholic, Lutheran and Orthodox kingdoms ensured that the sea divided no less than it connected.

For Finland growing Russian domination of the eastern part of the Baltic Sea had unexpected consequences: Sweden lost Finland to Russia in the early 19th century, with Finland becoming an autonomous Grand Duchy under which the Finns were able to keep their laws, customs and religion. Furthermore, Russian rule meant two significant changes: first, the establishment of a new capital in the east,

Helsinki, which replaced Turku, for long the second city of Sweden; and second, the conferring by the Tsar of the title of Archbishop on the Bishop of Turku.

The independence of the Evangelical Lutheran Church of Finland thus significantly predates that of the Finnish Republic, which was established at the time of the Russian Revolution in 1917. Since national independence, the Finnish Church has been free to form relations with all the ecclesial traditions present on these shores.

This has been especially important as the Baltic Sea still forms a unique meeting point for three ecclesial traditions: Roman Catholicism, Lutheranism and Orthodoxy. All three are present in Turku, serving as a reminder of the importance of working for the unity of the church and of people, so that the Baltic Sea can become a sea of connections rather than of divisions. More widely cooperation between the churches has taken place, for instance, through the Theo-Balt (Theology in the Baltic Region) network, established in 1983 to create and nurture connections across Cold War divides. The network last met in 2009 in Turku.

Today, the churches of the Baltic Sea area have much in common across denominational boundaries. All of us are concerned, for example, with the challenges posed by climate change. The world has become irrevocably one, with everyone's fates connected by the waters of our seas.

We are called as churches to look for the signs of the times. In our time, the voices of environmental scientists are a prophetic call to us to do our utmost to stop wasting our waters and destroying our planet. This challenge does

not discriminate on the basis of faith. There is no difference between the greenhouse emissions of Christians, Muslims, Jews, Buddhists or atheists. Their effect is the same. The air we breathe and the water that sustains us are constrained by no boundary of nation or church or religion.

Against this background, it is clear that a faith community or a nation focusing on the defence of its own positions and concerned first for its own interests has lost sight of what truly matters. For once, we are all on the same side – hopefully on the side of our sea and of life on this earth, our common home. ■



KARI MÄKINEN

The Most Revd Dr
The Archbishop of Turku and Finland
The Evangelical Lutheran Church of Finland
Finland

The air we breathe
and the water that
sustains us are
constrained by
no boundary of
nation or church or
religion.

PETTERI ORPO

Turku and Southwest Finland – active in business and cross-border cooperation

Expert article • 1557

The name of the Southwest Finland region is Varsinais-Suomi in Finnish and Egentliga Finland in Swedish, both of which translate as “the real Finland” in English. From the start of recorded history and up to the beginning of the 19th century, Turku was the most important city of Finland, and the surrounding region formed the core of the country.

Turku was the capital city until Tsar Alexander the First gave the order to transfer the seat of power to Helsinki in 1812. Finland had become part of the Russian Empire in 1809 after a war between Russia and Sweden. The decision to transfer the capital city was caused by Turku's proximity to Sweden. Alexander wanted to sever all of Finland's Swedish ties.

Another unfortunate event was the Great Fire of Turku in 1827. This disaster caused the move of the country's only university to Helsinki, which had been made the new capital city. Nevertheless, Turku and the region of Southwest Finland remain important areas because of their good, advantageous location on the shores of the Baltic Sea. Furthermore, the climate of the region is good, on the Finnish scale at least.

Maritime-based business has always been the backbone of the region's economy. Present-day shipbuilding is rooted in the region's long history of manufacturing sailing ships. There is also a long tradition of food industry here. Other important economic hubs are Turku's pharmaceuticals sector, the engineering workshops of Loimaa as well as the car factory in Uusikaupunki. In addition, the scenic archipelago offers a wealth of opportunities in the travel sector.

The region of Southwest Finland has been an active player in implementing the EU Strategy for the Baltic Sea Region. The macro-strategies of grand areas provide good avenues for cooperation. The aim is to supply coordinated answers to the challenges of grand areas and to capitalise on the possibilities these areas offer. According to a report of the European Commission, the value of grand area strategies lies in growing cooperation and coordination between Member States and regions.

The Commission also says that strategies have given more power to old cross-border projects. Furthermore, the strategies have helped develop new projects, networks and motions, which have provided concrete results in fields like the environment, infrastructure and science.

The implementation of strategy should focus on launching new and innovative projects, which provide direct answers to the goals of macro-strategies. Many actors in the region, including the Central Baltic Interreg Programme and the City of Turku, have actively enhanced implementation of the strategy and helped aim its goals.

The region of Southwest Finland has lots of specific know-how in different areas. The new regional strategy defines partnership as the seamless cooperation of many different fields. Next, I'll introduce you to the most prominent patterns in the region and its neighbouring area.

Biotechnology, diagnostics and pharmaceuticals formulate 50 percent of Turku's gross domestic product.

We have lots of Arctic know-how relevant to the shipbuilding industry and maritime sector, and we are keen to develop new technologies.

The development of new technologies and renewable energy sources is an emerging sector, which benefits the region's businesses as well as the environment. Another area of activity that has great potential in the future is provided by the so-called creative lines of business. Because of this great potential, the Regional Council of Southwest Finland has established a dedicated development programme for these creative lines of business. Also among our top priorities are the Nordic growth belt and providing support for infrastructure and business projects.

The Regional Council of Southwest Finland and the City of Turku have been showing active initiative with respect to launching the so-called Turku-process, which has huge potential because it would create a concrete confluence between the EU Strategy for the Baltic Sea Region and the Russian Federation's strategy for Northwest Russia. The Turku region expects to join the EU's new European Neighbourhood Instrument (ENI) programme, which will be launched this year and can provide us with a new source of project funding.

Southwest Finland enjoys good cooperation with other areas and organisations of the Baltic Sea region. The main sectors of cooperation are clean and safe shipping, reliable energy markets and the EU Strategy for the Baltic Sea Region as a frontrunner for deepening and fulfilling the single market.

I'd like to list a few examples about channels of cooperation: good relations between local sector organisations in both countries, ENI programmes, the cooperation agreement between the Regional Council of Southwest Finland and association of strategic partnership of economic and social development of Northwest Russia, the Baltic Sea Region University Network and the various local associations that support economic life in the area.

I bid you a warm welcome to Turku and Southwest Finland! I hope you will have a good time here. Turku is proud to also be the venue for other great maritime events after the Turku Baltic Sea Days: we will host the European Maritime Days in 2016 and the Tall Ships Race in 2017. ■



PETTERI ORPO
Member of Parliament

Chairman
Executive Board
Regional Council of Southwest Finland
Finland

JUHO SAVO

The Baltic Sea – on my mind

Expert article • 1558

The importance of the Baltic Sea has reached a higher level during the past decade. Although the sea has served for centuries as a transport route and a connecting factor, not much attention was paid to it in the latter half of the 20th century. When we looked from Finland to the rest of Europe, the sea was seen as an obstacle and a restricting factor in a world dominated by cars. Ships sailed, but the sea under them played only a minor role. Furthermore, the Cold War made our sea somehow one-sided. At least pleasure boaters had no business on the coasts of the Soviet Union, Poland and East Germany.

As the Cold War ended, and Estonia, Latvia and Lithuania declared themselves independent, and Germany was united around twenty years ago, the situation in the Baltic Sea region changed radically. The old attitudes that were based on suspicion and fear gave way to opportunities for co-operation of the whole Baltic Sea region. Intensive dialogue began between the co-operative bodies of countries that had existed officially even earlier, but above all between civic organisations. When Finland and Sweden joined the European Union, a new financing instrument was introduced to part of the co-operation. And when the Baltic States and Poland also joined the EU, there were a great deal more resources available for key co-operation projects.

From the point of view of my home region, Southwest Finland, potential for direct co-operation between regions emerged, when the regional administration was reorganised in Finland in 1993. The new regional councils that represented the political will of the areas were assigned a statutory task to manage the international affairs and contact of the regions. The region of Southwest Finland already had working relations with Sweden and the Åland islands within the archipelago co-operation supported by the Nordic Council of Ministers. Other co-operation was conducted at municipal level with Estonia.

In a new situation, Southwest Finland initiated a contractual co-operation relationship with the state of Mecklenburg-Vorpommern in Germany and the province of Pomerania in Poland. One of the key focal points in the co-operation with both of them was measures aimed at the environment and marine protection of the Baltic Sea. I can still vividly remember that our German partners thought it was very strange. In the 1990s, the pollution of the Baltic Sea was not yet a well-known problem in Germany.

Memberships in regional co-operation organisations were built on top of the direct co-operation structures between regions. For us, the first one was the membership in AER (Assembly of European Regions). Its function was to strengthen the point of view of European regions. Southwest Finland assumed a bigger role in CPRM (Conference of Peripheral and Maritime Regions of Europe) which also has its own Baltic Sea Commission (BSC). As its name suggests, the Baltic Sea Commission focuses on the co-operation issues in our region. Not all provinces in the Baltic Sea region belong to the organisation, but as far as I understand, it nevertheless represents the interests of the Baltic Sea region in European discussion.

The European Union's Interreg programmes have offered an instrument for the development projects between Finland and Estonia. As the Regional Council of Southwest Finland is starting a third programme period as an administrative authority in the programmes, we have not made region-specific co-operation agreement with Estonian regions. In practice, our co-operation area has been the whole of Estonia.

After a separate Archipelago programme and a separate Finland–Estonia programme, we are now starting the second 7-year Central Baltic – Interreg A programme in which the central area of the Baltic Sea will participate. The Regional Council of Southwest Finland acts as its administration, audit and payment authority. The co-operation area includes the eastern parts of Sweden to the north and south of Stockholm, the Åland islands, 8 provinces of Southern Finland, as well as Estonia and Latvia.

It was estimated that around 70% of the projects during the programme period from 2007–2013 were allocated directly to projects in accordance with the Baltic Sea strategy. I believe that the Interreg V programme A (2014–2020), which will start in the autumn, will reach an even higher degree of allocation.

The biggest concern in the Baltic Sea region has been the eutrophication of the sea as a result of nutrient emissions. To put it simply, the water is seriously polluted. The measures aimed at purification of waste water generated by municipalities and the industry, limiting the nutrient emissions of agriculture and reducing the deposition through air have already generated positive development. Emissions from vessel traffic have also been curbed through increased control. Nevertheless there is still work left for decades, so that our shallow inland sea can provide an attractive environment in all its coastal states. In that respect, many foundations operating with private funding have done very important work, while the public players and states have focused too much on "solemn speeches". Speeches are needed, too, but they are not enough!

The safety of maritime traffic and other safety issues have generated an excellent radar and traffic control system in the Baltic Sea region, and its importance has been concretely noticed in preventing a number of near-miss cases. The considerably increased oil tanker traffic on the Gulf of Finland is a particular risk factor. The safety level has been improved through programme funding. International co-operation plays a key role here.

There is still plenty of work to do regarding the utilisation of the competitiveness and innovations of the Baltic Sea region. There is a very broad network of universities and research institutes in the region. The networks are working in biotechnology and some other fields of research. In general there is still plenty of room for improvement.

In global terms the Baltic Sea region is still an almost unknown tourist destination. Tourism is one of the fastest growing businesses in the world. The biggest metropolises in the Baltic Sea region attract tourists, but through

There is still plenty of work to do regarding the utilisation of the competitiveness and innovations of the Baltic Sea region.

networked activities we could easily multiply the income from tourism in the region. The issue can be acted on at national level, too. But the greatest benefits will not be achieved until the whole of the Baltic Sea is made an object of global marketing and service business. Safe, developed and modern environment which offers natural peace and quiet to all those who appreciate it.

Russia has been the weak link of the EU's Baltic Sea strategy. Russia is a coastal state and a powerful player in the Baltic Sea. It is not included in the common programme, however. For that reason, Russia has been on the agenda of Finnish players whenever the Baltic Sea has been discussed. My home region, Southwest Finland, has also contributed to the matter. In addition to close relations with the City of St. Petersburg and the Leningrad Oblast, we now conduct co-operation between the province and an organisation that represented the whole of Northwest Russia. The same themes which we apply in the Baltic Sea strategy, the Central Baltic programme, the archipelago co-operation, and with our Polish and German partners are also key themes in the co-operation with Northwest Russia.

After Russia shocked all of us with its aggression in Ukraine, one has to stop and think what it means for the Baltic Sea policy. In the worst case we will return to the time before the Baltic Sea policy based on partnership. As an optimist, I hope that reason will overcome, and trust and co-operation will be back on the agenda as soon as possible. That would be an undeniable benefit at least to the Baltic Sea and all of us living on its shores. ■

**JUHO SAVO**

Region Mayor
Regional Council of Southwest Finland
Finland

ALEKSI RANDELL

Turku Pro Baltic – long term commitment for Baltic Sea cooperation

Expert article • 1559

In June 2014, Turku will host a week of activities under the common name of Turku Baltic Sea Days 2014. Key stakeholders of regional cooperation – from Prime ministers to civil society representatives, business executives to experts in various fields – will discuss in their meetings best ways to promote concrete, result-oriented cooperation, under the title of Growing together.

Central among these meetings is the joint Baltic Development Forum/Annual Forum of the European Union Strategy for the Baltic Sea Cooperation on 3–4 June.

These conferences are not the only high-profile events with European dimension in Turku. Actually, the City has been – or will be – hosting several of them. Here, I would just like to mention the very successful year as the European Capital of Culture in 2011, as well as the forthcoming European Maritime Day Conference in May, 2016.

Why has Turku succeeded to become the venue for such important events, which have required endorsement and active cooperation by the Finnish Government and the European Commission/Union?

The reasons are several, but at the root, there is active long-term commitment to regional cooperation.

Centrally located at the crossroads of the Baltic Sea, Turku has since Hanseatic times served as Finland's gateway to the world. Turku is the oldest city and former capital of Finland. It has systematically promoted regional cooperation through twin city relations, multi-lateral networks and practical projects. Turku is an active member of the Union of Baltic Cities (UBC) and the Baltic Development Forum (BDF).

With its top class universities, vibrant and versatile businesses including life sciences, health and ICT, cutting edge research institutions and thriving cultural life, it is the growth centre of Southwest Finland – next to what many consider to be the most beautiful archipelago in the world.

Turku is the centre of Finland's maritime cluster, where the biggest and most luxurious cruise ships in the world have been designed and built.

Our region is home to a great "Baltic Sea knowledge bank". Hundreds of experts in universities, research institutions, companies, public administration, civil society organisations and media are daily working with their colleagues in Finland and abroad to promote smart and green development and wellbeing.

Centrum Balticum – Finland's policy think tank on Baltic Sea issues – is our ambitious platform to promote regional cooperation

nationally and internationally. Abroad, Turku has two "embassies": in Brussels and in Saint Petersburg – Turku was the first city in the world to establish official twin city relations with Saint Petersburg back in 1953.

I would like to mention here three of Turku's recent initiatives. The Northern Growth Zone (Stockholm-Turku-Helsinki-St. Petersburg) is an ambitious joint process to boost cooperation and competitiveness with public and private stakeholders in the Northern shores of the Baltic Sea.

The Turku Process promotes European cooperation, particularly with Saint Petersburg and the Leningrad region. Through it, the City of Turku serves as Horizontal Action Leader in the EU Strategy for the Baltic Sea Region (HA Neighbours).

The Baltic Sea challenge by cities of Turku and Helsinki is an ambitious action programme to promote concrete actions for Saving

the Sea. Between 2007–2012, about 200 organisations from Finland and other countries around the Baltic Sea joined in this initiative by agreeing to take voluntary actions. The renewed Action plan for 2014–2018 commits Turku and Helsinki to new, ambitious measures to ensure, that future generations can enjoy a cleaner Baltic Sea.

Turku is open to cooperation with old and new partners. Get in touch! ■

www.turku.fi/english
www.centrumbalticum.org
www.turkuprocess.fi



ALEKSI RANDELL

Mayor
City of Turku

Chairman
Centrum Balticum Foundation
Finland

KARI HÄKÄMIES

Work before everyday security is rewarding

Expert article • 1560

The Ukrainian events have caused many of us to consider more than before security of the Baltic Sea region. The Baltic Sea has been one of the safest sea regions of the world despite the fact that states of the region have different backgrounds and they have made their security arrangements in different ways: Finland and Sweden are not part of any military alliances; six states are NATO members, and Russia has arranged its matters in its own way. On the other hand, except for Russia, the countries of the Baltic Sea area are members in the European Union. Against this background, the Baltic Sea can be legitimately referred to as an inland sea of the European Union.

While the Ukrainian events are far from the Baltic Sea, the states and citizens have real concerns. Has the continuing long-term peaceful development, where the dialogue between East and West has been successful despite the structural changes and regime changes, come to an end? European competitiveness, state economies, and the Russian economy in recent years have badly limped. One simply cannot afford mutual suspicion and a cooling of relations.

My office, the Regional State Administrative Agency for Southwestern Finland, does not operate in the sphere of international politics, or within the external security community, but one of its functions is to coordinate Finland's internal security operational programme. Although functioning transnational relations are a prerequisite for all kinds of cooperation, there is no reason to underestimate the work to be done in the sphere of internal security. It is worth remembering that, when citizens of the European Union are asked what the most important issue they would like to have the Union to most urgently deal with was not the economy or unemployment, but criminality, i.e. internal security.

Internal regulations of the European Union have facilitated the movement of people and in 2011 joint steps were agreed to with Russia about a visa-free regime. To be sure, the latter issue is now in the deep freeze, but when the atmosphere again clears up, continuing steps will certainly be started. But when freedom of movement is liberalised more than before, it also offers the opportunities for criminality, which unfortunately is even more organised.

Countries of the Baltic Sea region have by no means been inactive in fighting cross-border crime. The EU Strategy for the Baltic Sea Region has brought together a wide range of cooperative projects, many of which are related to internal security. The most important is probably the Organised Crime Task Force BSTF. It has been in operation for over ten years. It includes all the EU countries, Iceland, Norway, Russia, the Commission, Europol and Interpol.

Cooperation against criminality in the Baltic Sea region is fundamentally challenging: the region has two completely different types of legislation, external borders are quite long and the area has huge volumes of transport which create an excellent base of operations for many kinds of crime.

For border surveillance, there is a special cooperation project, BSRBCC. Countries in the region have established coordination centres operating around the clock. Also, human trafficking is a special object of attention in the form of a working group.

International politics is often quite alien to the average person. To be sure, together with statesmen, everyone perceives the importance of the matters to be handled, whether they are political conflicts in Europe or the resolution of economic crises gnawing at Europe. But often, the activity of politicians remains something mystical, perhaps a bit elitist and far from everyday life.

Internal security questions, on the other hand, are often quite concrete. Everyone wants to live on the street where no one is subject to being abused. Children and young people are completely of the same opinion that the sale and smuggling of drugs must be resisted even by extreme measures. Even a simple theft of a bicycle gets us upset and demands more resources for the police.

Although the Baltic Sea region is associated with many growing problems, the situation is better than in many other parts of the world. And although cooperation sometimes flounders about due to different operating cultures or top-level political problems, the work has been good and because it already begins to have long traditions. The Finnish Border Guard has been engaged in successful open interaction with our eastern neighbour since when the Soviet Union used to keep quiet about everything.

It is seldom that the everyday work gets into the limelight of television broadcasts, but it has its own rewards. If however a granny is satisfied or a child safely goes to school, this thanks feels much nicer than a lot of publicity. ■

**KARI HÄKÄMIES**

Director-General
Regional State Administrative
Agency for Southwestern Finland

Former Minister of the Interior
Finland

KALERVO VÄÄNÄNEN

The future lies in the hands of the youth

Expert article • 1561

Where the young people are therein lies the future. This is truer today than ever before. The ongoing demographic change in the countries surrounding the Baltic Sea further highlights the meaning of this statement in that in nearly every country the size of the younger generations is getting smaller and they have to take care of the growing number of ageing people. This change places an increasing pressure on enhancing productivity and developing new innovations and service concepts. In some countries, immigration is levelling the playing field, but in most cases immigration cannot compensate for the demographic change. In order to develop innovation environments, we need more versatile and international approaches.

But where can we find the youth today? In most countries of the Baltic Sea region, about a half of the young population completes an academic degree in universities or in the universities of applied sciences. This part of the youth is easy to reach and introduce to international cooperation already during their studies. Both through research and experience we know that those young people who study in another country even for a few months have better prospects on the job market than their colleagues, who have conducted their studies only in their home university.

Active student exchange is probably the most efficient and fastest way to increase understanding between peoples and the appreciation of other cultures and societies. It is difficult to imagine what could be a better education on peace.

If we believe that the countries in the Baltic Sea region can improve their competitiveness by increasing cooperation with business life, we should create ample opportunities for even better student and researcher exchange.

How then could we further advance student, researcher and staff exchange? It can be achieved in many ways. However, we need the commitment of many different quarters.

Institutions of higher education must certainly continue to be forerunners in internationalisation, but we need to cooperate with many different players in order to advance it. We need further legal changes in many countries and well-coordinated agreements between states as well as joint funding programmes. In practice, it has been very difficult to adapt the tuition fee practices between universities as they greatly differ from one another in different countries. It is problematic both within the EU and with the countries outside the EU.

What is also very important is that the institution is located in an active area, especially when it comes to organising accommodation for students. It is necessary that all the educationally significant regions and cities have enough reasonably priced rental apartments available for students and researchers. Surprisingly often, at least in the Finnish university cities, the lack of apartments with suitable rents has been an obstacle to student exchange.

However, the main role in strengthening student and researcher exchange belongs to the universities. With what operations could we advance student and researcher exchange?

There are several cooperation networks between the universities in the Baltic Sea region. Others are more active than others, but each of them has roughly the same goal. The operations of many networks have remained relatively superficial and they reach mostly the directors and especially the administrative management of the universities.

I believe that now is the time to build the cooperation on a new foundation. In addition to the networks that cover tens of universities, we should strive towards developing strategic cooperation which aims at concrete and practical operations between only a few universities. Furthermore, it is necessary to bring the bilateral cooperation of the universities to a new level, especially when it comes to Master's degree and doctoral education. We have to create more actual double

degrees, but at the same time take care that also shorter exchange studies can be transferred to the degree more effectively. The European ECTS system provides a good opportunity for this if the universities take it fully into consideration when developing their international operations.

Doctoral training is probably the easiest area in which to develop international cooperation between universities. An increasingly larger number of universities choose their doctoral candidates by international application procedures. The University of Turku, which I lead, opens 50 doctoral training

positions for international call each year. The four-year long and very intensive study period in a new environment often creates a stimulating atmosphere with new ideas and thoughts. For its part, this offers new vitality to the research and innovations of both the home and the target country.

The mixing of diverse approaches and ideas in different cultures and times has always portended progress in society and economy. The countries of the Baltic Sea region have never had a better chance for it than now. ■

Active student exchange is probably the most efficient and fastest way to increase understanding between peoples and the appreciation of other cultures and societies.



KALERVO VÄÄNÄNEN
Rector
University of Turku
Finland

MIKKO KETONEN

Economic growth is the best guarantee for the protection of the Baltic Sea

Expert article • 1562

Turku and Southwest Finland lie at the centre of the Baltic Sea. The ports of Turku and Naantali act as gates to the west through which a large share of Finland's foreign trade is transported. The whole Baltic Sea region and its coastal countries are Finland's most important trading partners. More than 80% of Finland's foreign trade is transported by ship on the Baltic Sea. The most important trading partners are Sweden, Russia and Germany. Estonia is also among the ten most important partners, and Norway, Denmark and Poland are not too far away from the top 10, either.

Half of the imports to Finland come from the Baltic Sea states. 40% of the exports go to the Baltic Sea region. The biggest export destination is Sweden, and the biggest import volume comes from Russia, consisting above all of natural gas and crude oil. As much as half of the energy consumed in Finland is imported from Russia.

The Baltic Sea states are Finland's most important partners in many other respects. More than a quarter of the investments of Finnish companies are made in Sweden, and together with Germany and Russia, those three countries account for more than one third of Finland's foreign investments. Correspondingly, Swedish companies account for nearly half of the foreign investments in Finland.

Mutual tourism is also important in the Baltic Sea. Half of the tourists in Finland come from the Baltic Sea countries. The leading three groups are again Russians, Swedes and Germans. Finns make the same number of trips to the Baltic Sea countries.

More than a quarter of a million people have moved to Finland in the 2000s. Nearly half of them come from the Baltic Sea states. The biggest groups with over 10% share each are Swedes, Russians and Estonians. In addition, Finland practises lively student exchange in the Baltic Sea region.

All those figures indicate the mutual dependence of the Baltic Sea states. The co-operation is based on the long common history and culture of the countries. The Baltic Sea is above all a route for transporting goods and people. The countries are equal and all of them have had a chance to benefit from the co-operation. When Finland started its one-year Presidency in the Council of the Baltic Sea States in July last year, it announced its themes: clean, safe and intelligent Baltic Sea.

All three themes are good. In this case clean means above all non-polluting seafaring and use of alternative fuels. That is also very important for the shipbuilding cluster of Southwest Finland.

A passenger ferry that runs on natural gas was built in the Turku shipyard a couple of years ago for the route between Turku and Stockholm. The maritime traffic in the Baltic Sea is preparing for reducing sulphur and nitrogen emissions, and it would be important to launch new LNG-driven vessels. That would also generate an opportunity to attract new profitable business operations around the Turku shipyard.

The second theme of Finland's Presidency is safety. The issue is topical, and the goal has to be set at improving the co-operation between the authorities in the Baltic Sea states. At the same time, the theme reminds about the dangers related to lively vessel traffic which are the most significant in the Gulf of Finland where the ship transports to and from St. Petersburg encounter the ferry traffic between Helsinki and Tallinn.

A year ago in March, the international researcher community Balticstern published a report in which they had determined the monetary value of the Baltic Sea. 3.8 billion euro per year was the sum which the inhabitants of the Baltic Sea region would be ready to pay for the protection of the sea area.

The comparison figure was the value of the Baltic Sea protection programme produced by the Helsinki Commission, HELCOM, which is 2.8 billion euro per year. If the inhabitants of the Baltic Sea region are prepared to pay one billion euro more than efficient protection actually costs, there is more than enough will for the protection project.

The case is not so simple, though, as has been noticed in a number of Baltic Sea summit meetings. Finland and Sweden invest in saving the Baltic Sea, but other coastal countries are less enthusiastic. It would be important to attract contributions from Russia and the large EU countries Poland and Germany which prefer to look towards Central Europe. Another big challenge is the EU's attitude to the region. The EU has not set a sufficient budget for its Baltic Sea strategy. The EU calls the Baltic Sea its inland sea, which causes friction in the common goals of the EU and Russia. There is plenty of work for Finland in trying to reconcile the views of the parties. The crisis in Ukraine will not relieve the situation in the near future.

The best guarantee for the protection is the steady growth of the Baltic Sea economic region. The region needs new investments and jobs. Without economic well-being it is no use to imagine that the coastal countries would have the interest, let alone resources to increase their contribution to the protection work. Although many organisations and foundations do valuable work to save the Baltic Sea, it is not enough; all countries need to participate together.

Finland's goals for the Presidency are also well suited to the Archipelago Sea. The biggest concern of the inhabitants of Turku is the Archipelago Sea; its protection, cleanliness, reducing the emissions of agriculture, and safe and clean vessel traffic, so that the Archipelago Sea could remain the finest area for recreation and tourism in Finland. ■

MIKKO KETONEN
Chairman of the Board
TS-Yhtymä Oy
Finland

KARI TAKANEN

Maritime security at the Baltic Sea

Expert article • 1563

Turku is Finland's naval city. One of Finnish Navy's two main bases is situated there as well as the Naval Headquarters. Cooperation with other maritime actors is lively - this includes several parties within education, research, harbours, shipbuilding, industry, authorities and organizations. Archipelago Sea is an important support area for naval operations.

The Baltic Sea is one of the busiest waterways in the world. Maritime traffic is increasing - both in numbers and size. The littoral geography is challenging. Traffic is channelized thru archipelago and several choke points. Shallow waters limit free navigation. Distances between the countries are short. Parts of the sea freezes every winter, so the conditions are arctic. The Sea both unites and separates the countries around it. Its importance for all Baltic Sea countries is strategic - the sea provides means to transport goods, people, energy and information. The importance of the sea lines of communication at the Baltic Sea is increasing and will be essential also in the future.

The Baltic Sea is today a stable and secure area. A threat of a large-scale armed aggression in the region is low, but it cannot completely be ruled out. The operating environment is unpredictable and may cause negative security impacts. A wider conflict or a regional crisis may result in using political pressure or military force in the confined area. Therefore countries need to prepare for external security challenges, especially in the challenging maritime arena.

In a globalizing world these challenges cannot be countered alone. They require increasing regional cooperation and new approaches from all actors. Nordic countries share similar values and therefore form a natural group. Nordic Defence Cooperation NORDEFCO is a suitable regional way to strengthen the countries' national defence, explore common synergies and facilitate efficient common solutions. This cooperation is not a military alliance, but it increases collaboration and promotes stability in the northern regions. Good example of a regional cooperation is the naval Surveillance Cooperation Baltic Sea (SUCBAS).

Besides the traditional military threat scenarios a number of different types of threats exist, such as environmental problems, organised crime, smuggling, terrorism and cyber attacks. The military organizations have to prepare to support other authorities in order to act against these kinds of challenges, too.

The Arctic is today's focus area. The main interest is in the economy, but alongside the security issues in the area are also growing. The northern navies have to prepare to operate in the severe arctic environment. At the first place future cooperation could be maritime surveillance and rescue operations. Best practices from Baltic Sea area cooperation could be utilized also in the Arctic.

Finland's security policy is based on active creation of security, and preparation and response to security threats. The goals of Finland's security and defence policy are safeguarding the country's independence and territorial sovereignty, guaranteeing the basic values, security and well-being of the population and maintaining a functioning society.

Main task of the Navy is to defend Finland. This includes protection of the integrity of the country, protection of Sea Lines of communication and repelling maritime attacks against Finland. The maritime defence is being executed in close cooperation with the Army, the

Air Force and Border Guard units. Other tasks are support to other authorities and participation to international military crises management.

Finland has an independent defence capability that provides deterrence and is tailored to the operating environment, available resources and security situation. The fundamentals of the defence solution are general conscription, territorial defence and military non-alliance. The defence utilizes comprehensively all resources of the society and multinational cooperation. Even though all military capability areas are maintained by the Defence Forces, the force is increasingly depending on international cooperation.

Defence is an integral part of Finland's comprehensive maritime security. The Navy's resources will also be used in support of the other authorities. Preparedness for wide ranging security threats demands networking between the actors. This comprehensive cooperation has been successful and it has created a strong culture of cooperation and trust amongst the maritime authorities, main partners being the Coast Guard, the Transportation Agency and the Transportation Safety Agency. Good examples of cooperation are a common situational awareness system and arrangements in oil recovery.

The Finnish Navy participates actively in international military crises management. Together with international exercises, this strengthens national defence capabilities and interoperability. Cooperation also makes it possible for the reception of support in a crises situation.

Economical challenges are facing most European countries. A following tendency is down-sizing forces. This drives the countries to find smarter defence solutions. Needed capabilities cannot be maintained with existing budgets in a long run. This means that the level of defence spending has to be raised - or the defence has to be arranged in a new way.

The Finnish Navy will implement a reform by 2015 as part of the Defence forces reform. The reform balances the unchanged tasks and available resources. The reform will form a basis for capacity and development of the Navy towards 2020s. In 2015 the wartime strength of the Navy will be down-sized to 20 000 troops. The aim is to have fewer, but more capable units and weapon systems to compensate the reduction of today's troop strengths. The end state will be well functioning and cost-effective naval defence, which is capable of executing its tasks.

Future challenges will require new naval capacities. The material situation of the Navy today is moderately good, but as systems get older they have to be replaced with modern capabilities. Planning for future multirole surface combatants, new Squadron 2020, has already started. Future tasks require balanced and effective new war ships that are ready to repel future challenges - both at home at the Baltic Sea and abroad in crises management operations. ■

**KARI TAKANEN**

Rear Admiral
Commander of the Finnish Navy
Finland

JUKKA SAVOLAINEN

Coast guards – cooperating internationally for the security of the Baltic Sea area

Expert article • 1564

This year we celebrate two anniversaries: the Finnish Border Guard will be 95 years and the West Finland Coast Guard District, subordinate to the Finnish Border Guard, will be ten years. It was ten years ago when the two traditional Coast Guard Districts of the Gulf of Bothnia and of the Archipelago Sea were integrated and the West Finland Coast Guard District was established. Since 2013, the West Finland Coast Guard District operates on new premises at the Auriga Business Centre in Turku.

How did we come to this?

In the 1920s, smuggling had taken on enormous proportions because of the Prohibition Act. That made the very foundations of our young state to shake. The coastline was surrounded by vessels loading spirits into smaller boats that smuggled the cargo to land. This posed a threat to the security of inhabitants on the coast and in archipelago. The respect that Finnish people have traditionally had for law was diminishing. Smuggling was a national disgrace.

The state did not have enough resources to stop smugglers and therefore, the National Board of Customs proposed that a separate authority be established to control smuggling. The Coast Guard was then established in 1930.

The duties provided for the Coast Guard were to control border crossing, perform maritime police functions and assist ships in distress. Even if legislation has advanced numerous steps ever since, this set of fundamental duties is still valid.

The control of alcohol smuggling turned out to be a great success. In the 1930s, the Coast Guard confiscated nearly 1.8 million litres alcohol corresponding to around 61 per cent of all alcohol confiscated in the whole country. This was a severe blow to organized crime.

Smuggling ended at the start of the World War II in late 1939. The Coast Guard then shifted its focus. The personnel and equipment of the Coast Guard supported the Finnish Navy in its military action. Operating under the coastal troops of the Finnish Navy, the majority of the coastguards carried out maritime police functions. The patrol boats of the Coast Guard were workhorses of the naval war and participated in various combat duties, and the bigger vessels of the Coast Guard – Uisko, Tursas and Aura – made the travel safe for merchant ships.

The Coast Guard was integrated into the Border Guard in 1944. During the Cold War, the Border Guard and the Coast Guard Districts operating under it guarded the western side of the Iron Curtain successfully. The cross-border border security arrangement then developed between Finland and the Soviet Union is nowadays considered as a best practise internationally.

After the Second World War, the doctrine and equipment of the Coast Guard Districts of Finland have changed a great deal. A significant change in past years was the assignment of overall responsibility to the Border Guard for maritime search and rescue activities. Simultaneously, a decision was made on maritime rescue helicopters to be maintained by the Border Guard. Now that the Iron Curtain has collapsed and Schengen free movement covers nearly the whole Baltic Sea Region our crucial everyday function is to save human lives at sea. For this reason, the West Finland Coast Guard District will this spring enhance its preparedness for major maritime accidents. We have already carried out a few exercises and we will continue to have them to ensure professional conduct of the next large scale rescue operation.

What lies ahead?

International cooperation plays an increasingly significant role in Coast Guard activities. The dividing line of the Cold War has disappeared and the Baltic Sea has become a 'basin' connecting nations. The security authorities have also become more open.

The Finnish and Swedish Coast Guards made an agreement to exchange information on patrolling for the first time in 1996. At the same time, Finland and Germany started to plan joint operations between all Coast Guard authorities in the Baltic Sea Region. Joint operations have been arranged on an annual basis since 1998 and a permanent network of contacts has been created to operate on 24/7 basis. This arrangement is called Baltic Sea Region Border Control Cooperation (BSRBCC). Now, we can witness how all Baltic Sea Region Coast Guard authorities work for the same purpose - to combat crime. Consequently, any regular vessel borne cross-country criminality has become rather risky.

It is a proven fact that whenever the Baltic Sea has been used freely with no restrictions on movement or trade, prosperity has increased in coastal areas. Today, the vessels move freely and all the Coast Guards of the Baltic Sea countries cooperate closely on a daily basis. This can be considered a very positive sign for our successful future! ■



JUKKA SAVOLAINEN

Captain (N)
Commander of West Finland Coast
Guard District
Finland

TAPIO HUTTUNEN

The Baltic Sea – a sea of cooperation

Expert article • 1565

With increased mobility in the Baltic Sea Region, life in the City of Turku has become more international, a fact visible also in police work: we encounter daily the positive and negative aspects of various ethnicities and linguistic communities; luckily for us, the positive aspects are dominant.

One of the new phenomena in cross-border crime is so-called 'Hit-and-Run' crime, with the criminals entering Finland primarily via the Helsinki Metropolitan Region but also by means of passenger ferries to Turku and Naantali. Once in Finland, the criminals head for their targets, possibly pre-selected well in advance, which implies careful premeditation and a professional approach. The criminals try to accomplish as many acts as possible in a limited time, and then leave Finland. Offences are mainly committed through burglaries to residential and business premises, shoplifting, and various forms of theft ranging from metal materials, purses and wallets, to outboard motors. Finland is also a transit country for eastbound trafficking in luxury vehicles stolen mainly in Germany and Sweden.

Increased mobility of criminals and crime across the Baltic Sea Region has been countered by heightened police cooperation and pre-trial investigations. This is a signal to criminals that the risk of being caught is great. Cooperation between authorities from the Baltic Sea Region states is being escalated, and joint operations are organised to combat cross-border crime. Such cross-border cooperation is today carried out on a daily basis.

The impact of transnational criminal groups, originating mainly from Estonia and Lithuania, is clearly manifest in Finnish drug-related crime. Lithuanian criminal groups, in particular, have in recent years increased their presence significantly in several areas of crime in the European Union. In Finnish cross-border organised crime, criminal MC clubs are a significant element, and they cooperate with various transnational criminal groups that have a prominent role in crime in the Baltic Sea Region.

Trafficking in drugs is combated in the Baltic Sea Region through cooperation between member-state police, customs and border control authorities. For Finland, especially the Swedish, Estonian and Russian law enforcement agencies are vital cooperation partners. For several years now, Finnish and Estonian police have employed joint investigation teams in a number of investigation operations. Joint investigation teams expedite greatly cross-border pre-trial investigation, because the legal procedure for using coercive and other investigation measures is almost identical to that in domestic operations, without a request for mutual legal assistance being needed for every single measure.

For Turku and Western Finland, cooperation with Sweden is of great significance in combating drug-related crime, because Sweden is an important transit country for drugs smuggled into Finland. In recent years, there has been a significant increase in illicit imports of Subutex pills from France to Turku and Western Finland, often transported first through Northeastern Europe and then via Denmark and Sweden.

The Task Force on Organised Crime in the Baltic Sea Region (TF-OC) is unique in that law enforcement agencies from all 11 member states of the Baltic Sea Region are represented in the task force, including the Russian Federation. Russia is due to hold the rotating two-year presidency starting next year. In the work of the TF-OC, there are no visible signs of the general cooling down of cooperation between Russia and the European Union. Russia wants to take an active part in the TF-OC also in the future. In charge of operative cooperation, the Task Force's Operative Committee plans and organises cooperation in combating organised crime through improved and increased exchange of information, joint concrete and operative measures, judicial cooperation, training and other cooperation. The Operative Committee is a high-level working group consisting of representatives appointed by prime ministers. Over the long term, the objective of cooperation is to improve civil security in the Baltic Sea Region by means of increasingly close police, customs and border control cooperation.

A prime example of Baltic Sea Region cooperation is provided by the Safe Baltic Cruises project in 2011–2013, largely funded by the EU, which developed crime prevention methods against violence related to onboard entertainment on passenger ferries.

The project partners Sweden, Finland, Estonia and Åland Islands, together with the ferry companies, sought to establish a common policy and regulatory environment with clear rules for serving alcohol on board ships engaged on voyages on the Baltic Sea. In the project, the partners developed, and agreed on, common methods of investigation that are applied regardless of the original jurisdiction in which investigation is initiated. Furthermore, the project developed a concept for crime prevention education that can be used and implemented in internal security training which the ferry companies provide for staff.

In light of these examples, it is justified to describe the Baltic Sea as a sea of cooperation. ■



TAPIO HUTTUNEN

Police Chief
Southwestern Finland Police Department
Finland

ARTO HONKA

Customs as a facilitator of trade from the early days of history to the present and the future – with a Turku twist

Expert article • 1566

We are familiar with our past

We have made our way together from the past to the present, and our eyes are fixed on the future. In 1635, the Swedish statesman Axel Oxenstierna said that customs duties are the surest way of acquiring money and the best thing we can pin our hopes upon.

The history of Customs has mainly involved the physical presence of customs authorities around maritime operations, harbours, ships and the archipelago. Customs has been considered as the crossroads of international sea trade and domestic land trade, which has also affected the physical location of customs authorities in the historical context. The history of collecting customs duties is closely linked with the development of urbanisation and the concentration of trade in cities, which made it easier to regulate trade and collect duties. According to the most likely estimates, Turku obtained city rights in the 1290s. Turku was the leading customs house city during the Swedish reign. Turku is the only Finnish city mentioned in the regulation concerning customs duties and exchange of silver issued by King Charles VIII of Sweden in 1453. The customs authority responsible for the customs territory of Finland was also stationed in Turku, whenever such an authority was in office. Of all Finnish cities, only Turku and Vyborg received full rights to conduct foreign trade when the regulation concerning trade and sailing was issued in 1614.

As Finland's state connections with its former mother country Sweden ended in 1808, the Finnish regional authorities were at first left without a central government. In St Petersburg in February 1812, His Imperial Majesty Alexander I approved the ordinance regarding the customs administration of the Grand Duchy of Finland. The Emperor signed the ordinance which stated that the detailed administration and the enforcement of related regulations were to be the responsibility of an executive customs board based in Turku until further notice. It should be noted that the Governor-General of Finland at the time, Gustaf Mauritz Armfelt, could not stand Turku at all. He thought the city was a seat of evil where even public servants committed wrongdoings. This is why Emperor Alexander I declared Helsinki as Finland's new capital in the spring of 1812, at which time the executive customs board also moved there.

Finland, Southwest Finland and Turku as a Baltic hub – role of Customs

Certain pillars of an independent country have, throughout history, been its own currency, defence, flag and collection of taxes. In this context, when we consider Finland's independence and the country's process of achieving sovereignty, it is good to remember the historical importance of Customs as a tax collector, enabler of foreign trade, and as an enforcement authority.

Many major parallel changes and events are included in the common history of Finland, Turku and the Finnish customs service; Finnish independence in 1917, the Prohibition of 1919–1932, and the handing over of 15 steamboats and 25 patrol boats, among other materials, from Customs to the newly established Coast Guard in 1930. Nowadays, Turku Customs has one patrol boat in its use. Over the course of its independence, Finland began conducting a sovereign trade policy. Foreign trade collapsed due to the Second World War, and several customs offices had to be closed down as well. After the war, world trade began to revive and Finland's war reparations gave a boost to progress and development. Two shipyards were established in Turku for building ships as part of the war reparations. The shipyards consolidated Turku's position as the country's centre for the shipbuilding industry, a position which has lasted until the present time. The GATT agreement was signed, and the EFTA and the EEC were introduced along with exemptions from customs duties. After this time, Customs was assigned the collection of certain special taxes, such as the vehicle and motorcycle tax introduced in 1958, and excise duties which entered into force in 1969. Finland's EU membership in 1995 meant a revolutionising change for the country and for the personnel and customers of Finnish Customs. The customs administrations of the EU Member States no longer operated solely for their own good, but for the good of the entire Community. It was time to learn and adopt new rules for the game.

The present is a challenge for us – Customs in the face of turbulent times

Due to its geographical location, Finland is dependent on seafaring which is also a source of livelihood for Southwest Finland, Turku and the Port of Turku. About 90 per cent of Finland's exports and about 70 per cent of its imports are transported by sea. The volume of sea transports within foreign trade amounted to roughly 93 million tonnes in 2012. The considerable share of sea traffic in foreign trade requires sea connections that are smooth, reliable, safe and environmentally friendly. Functioning transport routes form the cornerstone of the competitiveness of Finnish trade and industry and its entire society. In this context, Turku and its port are a natural strategic gateway to Scandinavia and Central Europe. The Port of Turku is also a part of the TEN-T network which consists of the most important traffic connections in the European Union.

The strategic objectives of Finnish Customs include the facilitation of foreign trade, protection of society and extensive cooperation with interest groups. As an enabler, promoter and enforcer of foreign trade, Customs aims to target its resources according to the demand of services and the requirements of customs enforcement. This is why, for example, we have a unit in Turku which operates under Customs' national Electronic Service Centre and

has nation-wide responsibility for customers' import, export and transit declarations and for processing security data declarations. As for the protection of society, Turku is the base for a joint analysis centre of Turku Customs and the Border Guard focusing on the safety of sea traffic. The national Finnish Customs Sea Traffic Centre, whose main responsibility is the collection of fairway dues in Finland, is also located in Turku. Finnish Customs also participates in several other cooperation projects involving the Baltic region. In other respects, the mobile enforcement teams working in the operational area of Turku Customs see to the task of societal protection.

The future

In some ways, we remain unsure about the future. How will we tackle the recession in the Eurozone and the downturn in world trade, and how do these circumstances affect transport requirements? How will we revive Finland's exports? How will the new directive on sulphur emissions affect seafaring and logistics? The development of Russian ports will definitely have an impact on the activity of the ports in Finland and on transit traffic volumes. The structural changes of business and industry also have an effect on foreign trade and, consequently, on logistical solutions. How will climate change affect global trade and travelling in a wider sense?

The welfare of Finland's economy will be increasingly dependent on international trade in the future. The location of Finland and Turku on the northern edge of Europe, far away from the continent's main market areas, as well as severe winter conditions place Finland in a challenging position in comparison with several other EU Member States.

A new sea traffic strategy for 2014–2022 is currently being planned in Finland. Turku has its own part in the strategy as well. Customs and its strategic plans have a significance of their own in terms of the sea traffic strategy, when we consider for example reliable and safe transport chains, safety on the Baltic Sea, enhancement of harbour operations, intelligent transport chains, fairway dues and the Port of Turku and Turku Customs in the regional sense. ■



ARTO HONKA

Director
Turku Customs
Finland

Pan-European Institute

BALTIC RIM ECONOMIES

To receive a free copy,
register at www.utu.fi/pei

PEKKA SUNDMAN

The role of Finnish marine industry in Baltic Sea area

Expert article • 1567

During the spring of 2013 saw the completion of the Turku Seas 2020 regional competitiveness programme for the maritime and metal industries. In its part, the Turku Seas 2020 project complements the work of the Marine Industry 2020 competitiveness working group of the Finland's Ministry of Employment and the Economy. At the same time, the project positions the expertise of the Turku region and Southwest Finland, as part of national plans and projects that govern the future of the marine industry.

The goal is to focus the work of the national competitiveness working group in the most important marine industry region in Finland and maximise its impact on the development of competitiveness and the modernisation of the industry on the national scale. The research, development and training operations in the region lend national and international support to the following strategies: Finland's strategy for the Arctic region, Fairway to the future, the future of shipping in Finland 2015 and beyond and the EU strategy Blue Growth and LEADER-SHIP 2020.

Turku is Finland's strongest centre of maritime production and expertise, which, through its networks, also has strong ties to the Finnish metal and engineering industries, as well as the services sector. The Turku marine cluster is unmatched in Finland, when it comes to innovation capacity and related references. With the help of appropriate development measures, Turku has the potential to become the leading centre of marine technology innovation in Europe.

For Finland, the future will be shaped in Turku. There are seven good reasons to back up this claim.

1. Tradition and expertise

Turku's tradition of shipbuilding and seafaring goes back centuries, and this tradition has shaped the region and its professionals into the best marine industry experts in the world.

The region has everything that an internationally competitive marine industry needs – education and research, a continually developing industry, as well as services for business internationalisation and the modernisation of business models.

2. Spirit of innovation and cross-sector thinking

The Turku region features continually developing industry that crosses boundaries, innovates, specialises, digitises, creates new jobs and internationalises. Turku's strong cruise and passenger ship production is supplemented by increasing business in the offshore and arctic markets. The cooperation of the marine and metal industries has already expanded business opportunities, and one of the most important future flagships for growth will be marine environmental technology, also called Blue Cleantech. Environmental perspectives are also strongly represented in the marine industry roadmap, and they will be answered in order to ensure competitiveness.

3. Internationality

The marine industry networks of the Turku's region are already increasingly international, and the development of these networks is a part of the everyday work of all of the region's designers, researchers, builders, officials, consultants and other experts. Operators based in the Turku region are well known in Norway, Brazil, China and Russia, among others, and numerous practical cooperation projects are already underway.

4. Operating environment and community

Turku has become an active community of experts, where companies are provided with the means to succeed. At the same time, the region's primus motor, shipbuilding, has brought Turku-based companies up to the same deck as world-class experts. Turku's marine industry has managed to navigate trade cycles by being patient and focusing on the long term. Companies are continuously developing themselves and investing in new projects, and the city is investing with them.

5. Companies

In certain segments, companies in the Turku region represent the very best the world has to offer. The Turku shipyard, which operates on the global market, is an important locomotive for Finland's export industry and employment – and it will continue to be an essential operator that feeds companies, all the way from preliminary engineering to the actual production. Companies in the field stand united behind the national and regional development of Finland's marine industry.

6. Research

Turku is already home to Meridiem, a network that spans Finland's top universities and research institutions and serves the development needs of the marine and metal industry.

However, current strengths will not be enough to answer the future challenges posed by global and international markets. What we need is continuous development, as well as new research and business ventures. Meridiem aims to make Finnish marine industry and research an international pioneer.

7. Responsibility

The marine industry is not just a form of industry. It is also an important part of responsible operations, from the perspective of both the environment and social and economic responsibility. Prevailing societal development and values are also guiding the marine industry towards the future and onwards to developing markets. Over recent years, Turku has served as the leader in the development of the

Expert article • 1567

Finnish marine cluster and marine industry, and it is ready to bear this responsibility in the future as well – at all levels of responsibility.

The marine industry is an important part of the identity, culture and business of Southwest Finland, and serves as a competitive advantage for the region both nationally and internationally.

At the present time, there are 290 marine industry companies operating in Southwest Finland, with a total of 6,000 employees and a total turnover of EUR 1.3 billion, which accounts for some 40 % of the total volume of Finland's marine industry. The region also has 6 university-level educational institutions that train personnel and carry out research for the marine industry. ■

**PEKKA SUNDMAN**

Director
City Development Group
Central Administration
City of Turku
Finland

Pan-European Institute

BALTIC RIM ECONOMIES

To receive a free copy,
register at www.utu.fi/pei

KARI VAINIO

Turku lies at the heart of the Baltic Sea

Expert article • 1568

Turku boasts a thousand years of history as the gateway for seafaring and trade between the east and west. Professional shipbuilding operations have been run at the mouth of the River Aura for nearly 300 years.

Today, Turku lies in the middle of the European Union's Northern growth zone. The ports of Turku and Naantali and the motorway and rail connections from the west via Helsinki to St. Petersburg are part of the EU's core traffic network.

With more than 300,000 inhabitants, the Turku region's strengths include diverse business structure: maritime and technology industries, pharmaceuticals, foods, and retail and service clusters. The steadily growing immigration secures the availability of labour.

There are only a couple of tall chimneys left in Turku, but the city has to hold on to industry. Letting go of the industry would spell doom for the whole of Southwest Finland. There are always SMEs built around industry, and that's where new jobs are created.

Shipbuilding has always carried a special significance in Turku. Previously, after the war, it meant trade with Russia, and later, up to now, building luxury cruise liners to the Caribbean market.

Although the problems of the Korean shipbuilder STX are visible in the Turku shipyard, and the shipyard has not attracted new orders, the expertise and the extensive subcontractor network are still there. Turku's shipyards have always survived a change of owners. We have to believe in that now, because there is a demand for new ships.

The shipyard needs new owners. The Finnish state need not become an owner, but the state, its officials and politicians should show such expertise in industrial policy that would help retain thousands of industrial jobs in Finland.

Turku also has long traditions in pharmaceutical industry. Biotechnology has been expected to provide greater support and some proof of that is now emerging. Companies based in Turku have reported about marketing permits for the drugs they have developed, partnership agreements and licensing, the value of which totals hundreds of millions of euros.

The contraceptive methods developed by Bayer in Turku are conquering the large US markets. Turun Sanomat once compared the income from the company's older intra-uterine device Mirena to ten cruise liners being built in Turku. It is no wonder that Turku's biggest payer of corporation tax has climbed to number two spot in the country with taxes of 112 million euros.

Another big pharmaceutical company operating in Turku, Orion, has relieved the employment situation in Salo, which is suffering from the loss of Nokia's manufacturing, by opening a logistics centre in Nokia's old premises. Opened in the spring, the production line employs over one hundred people. The plant will be operating at full capacity by the end of the year. It is estimated that around 20 million packages of pills will be sent out from Salo this year.

Finnish institutional investors have not had trust in biotechnology, and not enough resources, either. Gradually the ownership of other biotechnology and pharmaceutical companies has been transferred abroad. That is hopefully the first phase. In the second phase the foreign owners would start investing in the Turku region.

An example of a company that has been under foreign ownership for a long time is Wallace which specialises in measurement equipment and diagnostics and holds a clear number two spot in the list of the city's biggest taxpayers. Wallace has been in foreign ownership for more than 40 years, currently as part of PerkinElmer, an American multinational technology company.

The achievements in the bio-business are a sign of competent labour, which is provided in Turku by universities and the university of applied sciences. The training for Masters of Science in Engineering was started in Turku through co-operation of the University of Turku and Åbo Akademi University.

The number of applicants to the University of Turku increased by 9% on the previous year in 2013 and totalled 18,000. The figure is second highest in Finland after Helsinki and those left behind include e.g. the Aalto University for engineering and commercial education whose applicant number was down by one thousand.

There are over 30,000 students in Turku. Every sixth inhabitant of the city studies in university. The diversity of universities is Turku's strength, but on the other hand it produces experts in many fields and all of them cannot find

a job here. At the same time, we should keep in mind that those who leave after graduation are messengers of Turku and communicate an image of the city where they studied.

Turku lies at the heart of the Baltic Sea. Internationally people know our capital, Helsinki. Thanks to its location and status as the former capital, Turku is known as the number two city in Finland. Across the sea lies Stockholm.

Turku is offered more than a role of a dead end; the city and the port act as routes to the west, the rest of Europe, and Finland's most important trading partner Sweden. At the same time, Turku has connections to the east, above all its twin town St. Petersburg. Last year the cities celebrated 60 years of co-operation in which culture has always played an important role.

The success of the Baltic Sea economic region and environmental protection of the Baltic Sea are important for the well-being of Turku and the whole province. As we are now discussing the safety and cleanliness of the vessel traffic in the Baltic Sea, and reducing sulphur and nitrogen emissions, we should keep in mind that the greenest part of the whole Northern Growth Corridor is the LNG-driven passenger and car ferry Viking Grace which was built in Turku and sails between Turku and Stockholm. ■



KARI VAINIO
Senior Editor-in-Chief
Turun Sanomat
Finland

RIKUMATTI LEVOMÄKI

Life science city Turku

– real triple helix

Expert article • 1569

City of Turku is known as a life science city. Turku focuses on the expertise of pharmaceutical industry and diagnostics as traditionally strong areas. Special areas of application include hormonal diseases and cancer, inflammatory and infectious diseases, as well as central nervous system diseases. These established life science strengths are complemented by materials and nanotechnology and bio imaging.

Companies – user of new knowledge

In Turku there are around 100 life science enterprises, most of which have been founded after the mid-1990s. Pharmaceutical industry, diagnostics industry and foodstuffs are part of the traditional core expertise of the region which forms the basis for the new biotechnology industry. Remarkable companies in pharmaceutical industry include e.g. Orion Pharma and Bayer, in diagnostics PerkinElmer Wallac Oy, and in food industry Raisio Plc.

To highlight the importance of life science to Turku few key figures can be mentioned: Half of Finland's pharma and diagnostics industry is located in Turku and they generate half of the turnover of Finnish pharmaceutical industry. The biggest tax payers in Turku are biotech companies. Twenty percent of industrial workplaces in Turku are in biotech companies.

A number of internationally recognised life science products have been invented and are being manufactured in Turku. The best known brands include e.g. Mirena intrauterine device, Benecol cholesterol lowering ingredient of foods and beverages, Xylitol for preventing caries, GenomEra testing system for hospital bacteria, and BonAlive bioactive glass for repairing bone damage.

The pharma companies are in really good track at the moment. In the year 2013 there was three new Turku based drugs which received a marketing authorisation. That was an extremely good year for Turku, because in a global level only a few dozen new drugs are launched per year.

Universities – producers of new knowledge

Life sciences has an important role in our universities: University of Turku and Åbo Akademi University. There are many life sciences taught in both universities. In these branches of studies there are all together more than 5,000 students. Accordingly every year there is a huge amount of new fresh employees with university degree coming to the local labour market.

Universities are working in a very deep collaboration in the field of life sciences. There are more than 10 doctoral programs at the universities of which most are operated together. Due to high number of researchers Turku gets every year more than 100 new life science related doctors. This gives us a solid base for wide-ranging research in life sciences. At the universities there are more than 100 research groups with more than 1,000 researchers doing high quality life science research.

One important part of the local life science research and product development is Turku University Hospital, which is the heart of Hospital District of Southwest Finland. Turku is one of the five cities in Finland with an own university hospital. There are currently more than three hundred active research projects at the Hospital District.

About one third of the research relates to development of new medicines and two thirds are research contributing to diagnostics, care and different treatments.

Public sector – enablers

City of Turku has founded Turku Science Park Ltd as its business policy company to increase the well-being of enterprises. Developing research-oriented and expertise-intensive business is the engine of success for the Turku economic region, because expertise and jobs also generate other good things to share.

Turku Science Park Ltd promotes the utilisation of university-based expertise and competitiveness of the enterprises as well as generating new business in the field of biotechnology (BioTurku® - Life Science and materials technology). Business with a high level of expertise requires close co-operation between universities, enterprises and the public sector. Turku Science Park Ltd acts as a strategic partner of universities and enterprises, both startups and operational, growth-seeking ones.

The co-operation and the resulting success of local business also serve the development of operations and financing of universities and other educational establishments in Turku. High-quality basic and advanced research often forms the basis of new product and service innovations. The commercial utilisation of these inventions requires practical networking, process consultation and project know-how as well as practical knowledge of different areas of business operations. Turku Science Park Ltd is there to help especially to increase the companies' business know-how and readiness for international markets, as well as marketing Turku-based expertise in international partnering and other events. The services of Turku Science Park Ltd are in general free of charge for all of customers.

All together – new possibilities

By doing things together we can reach much more higher. One good example of doing things together is Auria Biobank. It has been established by the University of Turku and the local hospital districts and it is supported by City of Turku. The biobank is a non-profit organisation. Its task is to maintain samples, such as tissue and blood samples of human origin and act as mediator for them for health-promoting medical research.

When co-operation aims to promote health and develop better products and services, Auria biobank also co-operates with commercial operators. In these cases Auria biobank acts as a contract party with research institutions and commercial operators. For example, a pharmaceutical company can order research from an independent research institution that borrows suitable samples for the project from the biobank. ■



RIKUMATTI LEVOMÄKI
CEO
Turku Science Park Ltd
Finland



HANNA HALME

Global human and environmental health company in Turku – making a difference, every day

Expert article • 1570

PerkinElmer is a global leader, dedicated to improving the health and safety of people and their environment with 7,600 employees in over 150 countries around the world. PerkinElmer is focused on providing customers with critical knowledge and expertise, along with innovative detection, imaging, informatics and services solutions, so that they can make better decisions for better outcomes. Our solutions enable earlier detection of disease, more effective therapeutics, cleaner drinking water and safer food, positively impacting the quality and longevity of life.

As developed economies face ever-rising healthcare costs and expectations for improved outcomes, PerkinElmer is uniquely able to combine complementary solutions in diagnostics and life sciences research to help people live longer, have healthier lives. Our technologies and expertise were instrumental in the development of 26 of the newest therapeutic drugs and our advances in digital imaging technology are improving cancer treatment for over 1 million people every year. Our newborn screening technologies have helped screen 450 million babies worldwide, for a variety of life-threatening disease. We also provide over 2 million scientists worldwide with our electronic laboratory notebooks and software for more informed scientific decisions.

PerkinElmer accelerates scientists' ability to detect, monitor and manage environmental contaminants and toxic chemicals, while ensuring that safety and compliance issues are addressed and people are protected. Our detection solutions are used to analyse approximately 2.25 billion air, water and soil samples each year – reducing the risk of contaminants. We are a market leading provider of analytical techniques including inorganic, molecular spectroscopy, thermal analysis and gas chromatography, for faster and more accurate analysis of food and pharmaceutical samples. With an experienced multi-vendor laboratory service organization, PerkinElmer is the number one provider of comprehensive lab management services for analytical equipment, enabling over 330 customers to maximize their laboratory productivity.

PerkinElmer's Turku site was founded in 1950 and today is one of our largest diagnostics manufacturing, research and development facilities. The company develops and manufactures instrumentation, reagents and software for screening and research purposes.

PerkinElmer is a global market leader in newborn screening business, with 30 years of experience in this field. We currently have 65% global market share for newborn screening in 91 countries.

Newborn screening is a form of preventive health care in which babies are tested within the first days of their life to discover evidence of disorders for which the principal symptoms are not yet visible. The process starts with the collection of blood samples from a baby's heel on a special filter paper, for further analysis. Screened disorders are varied; they may be genetic, endocrine-related, metabolic or hematologic. What these disorders have in common is that without timely

detection and medical intervention, they can cause severe harm to the child. Unlike treatment based health care processes, newborn screening is population-based. This means that tests are not only administered to babies that are sick, but also to all babies, including the vast majority that may appear to be completely healthy.

Screening programs often result from national or state-level healthcare decisions, with the goal of screening all newborn babies. There are screening tests available for dozens of different diseases today and the healthcare decision on screening also covers which diseases will be included in the program. The benefits of a newborn screening program are often assessed from a healthcare cost perspective. Evaluating the total cost of diagnosis and treatment of the sick patients versus the total cost of a screening program, confirmatory testing and prevention of the disease, often results in favour of starting a screening program.

PerkinElmer's location at the Baltic Sea shore in Turku is beneficial from many perspectives. Turku is a thriving university town and an excellent breeding ground for numerous biotechnology start-up companies. This atmosphere provides opportunities for scientific and supply chain collaboration and it is easy for us to recruit talented people into our team. We also see opportunities for business growth in the Baltic countries – as only a fraction of the world's babies are screened for diseases. We will continue our efforts to make a difference in the lives of babies and families in the Baltic Sea area. ■

HANNA HALME

Vice President, General Manager
PerkinElmer Diagnostics EMEA
Finland

JAAKKO SAARI

Growing opportunities in eCommerce all around the Baltic region

Expert article • 1571

The Baltic region reveals growing customer demands and expectations of eCommerce markets in all business areas. Continuous changes are occurring in the operational environment of the retail and industry segments. These changes bring great opportunities for growth to the Turku region.

As a business area, eCommerce requires deep know-how, understanding and experience of different technologies and ways of thinking, combined with a deep understanding of regular business models. Customer behavior in the B2C markets and B2B markets is changing all the time, and former web-store versus physical store competition has been replaced by a multi-channel concept. The multi-channel concept has already evolved to an omni-channel concept just waiting for the next generation to arise. Our B2B and B2C customers have the same expectations for this level of shopping experience: smooth omni-channel experience combined with a customer-oriented approach in all services across all channels.

Customers are now at the core of our business models in many ways, and the customers are the ones changing the expectations. This is something that our business decision makers need to consider in daily situations. Customers are at the center of our omni-channel way of thinking; and actually, the customers already are part of our value chain in the eCommerce business. Shopping experiences are not only limited to physical stores and web-stores. Shopping experiences surround customers where-ever they are and where-ever they make the decisions of where to find, try out and buy new products and services. Customers have a strong impact on the buying decisions of other customers, for example, in the social media; and today also on the purchasing and production decisions of companies.

To be successful today in eCommerce, understanding of the omni-channel concept is important. The omni-channel concept also requires smooth integrations between different IT systems to make the customer experience complete on all possible channels used; for example, the social media, advertising, email, mobile, catalogs, check-outs, stores, call centers, etc. The omni-channel concept requires us to understand that our customers are not outsiders, but that they are an important part of our value chains as the active actors influencing our company and customer behaviors.

All the mentioned aspects are possible to implement in our businesses, but that will not be enough. The future requires more relevant content on all possible channels. As customers, we are not willing to spend our time facing marketing that is not targeted on the basis of our own desires, needs and plans. Relevance is now crucial in the marketing of products on all channels, and it will be even more crucial for success tomorrow.

At the moment, the same development is occurring in all the Baltic region markets and in the European and global markets. The strong focus and know-how in the Turku region create excellent opportunities to achieve new possibilities in this growing eCommerce market. Focused experience in telecommunication, gaming and new technology companies provides us with new ways of thinking and new ways of succeeding in the future. We are inwardly ready for a changed operational environment and new global markets.

Turku as a region has the perfect location in the Baltic Sea context. Turku has good connections via road, rail, air and sea. Furthermore, our workforce is highly educated and has strong capabilities in eCommerce technologies, because our IT understanding is usually based on ERP world structures. We have traditionally been lacking a bit in sales emphasis. Yet, at the same time, we have always been strong in transactional emphasis, and that creates our advantage in comparison to competitive regions abroad. Integrations between different IT systems and channels have to be designed on the basis of both end-user experience and content and cost-effective and rational third party IT systems integrations.

The business decision makers are seeking professionals who understand omni-channel environments and the current change in retail and B2B market expectations. No longer are entry level eCommerce solutions sufficient. Deep integrations, together with smooth operational processes, need to be taken into consideration when designing and implementing future eCommerce solutions both in the B2C and B2B markets. Also, more relevant product recommendations and content are vitally important when competing in the global, European and even local markets.

The quality, knowledge and experience of eCommerce in Finland and in the Turku region are excellent and competitive in comparison to other Northern European markets. In the Turku region, the importance of thinking out 'our borders' is extremely important. We have to create a positive change in peoples' way of thinking and understanding the future possibilities that are within our local shell. In one form or another, eCommerce is here to stay. This is not a question of competition between web-stores and physical stores. This is the new way of thinking: of placing customers at the core of our operations and allowing them a small part of the control.

Think big, think global, think customers! ■



JAAKKO SAARI
Director
Igence Oy Ab
Finland

VESA MARTTINEN

Regional marine industry

Expert article • 1572

Local is regional in Baltic Sea's shipping. The locations are connected regionally with short sea shipping and regions to each other with ocean going shipping. In our region the break bulk, oil & oil products, gas, containers, trailers and people are transported with in the area and to other regions. The marine service business is serving shipping where it takes place and thus it is also truly regional. The product business on the other hand is for multiple regions, and global to serve connecting of these regions, but it's not required to be "on-site" and therefore it has local characteristics. In addition to shipping the marine industry also serves natural resources harvesting. Sea and sea bed provides food, energy and minerals as regional offshore operation. Because being in it requires specialized capabilities and it has high capital intensiveness the local operation is typically governed by strong global players. In marine service and product business the same geographical fundamentals as in shipping are applicable.

European marine industries generate €85bn annual revenues and provides employment to 500 000 people. As mentioned this is partly connected to European shipping contributing €145bn to the European economy while supporting 2,3m jobs. In addition to work and prosperity the marine industry, shipping and natural resources have a significant role in local and regional security of supplies during abnormal situations. Locally in Finland the marine industry is going through evolution. We have, and have had, about 20 000 people directly employed, but the companies behind these people and market focus has changed in past 30 years.

In 1980's the main players were shipyards specialized in capital projects for North-European regional customers and following these customers to new markets like US cruise business and Offshore Oil & Gas. During years the number of capital business integrators and direct employment with in them has come down, while rest have changed the business model to value chain based assemblers. In this evolution the marine industry growth was enabled as suppliers became independent, spin-offs were created, innovation was boosted and these companies started to capitalize on created capabilities in new markets. As examples we have manufacturers of ship systems, cabins and cargo gear; designers of passenger ships, ice-breakers and short sea ships; project suppliers of accommodation, navigation and cleantech solutions. In capital business the location for area of excellence can be secured in selected site by commitment, development funding, education and hard work. The new business model securing the value creators commitment is the key why Turku region has so significant role in design and construction of passenger ships, Pori/Rauma in offshore products and Helsinki in arctic and short sea shipping. All in all we have currently strong and vital Finnish marine industry, spread around the country, with €5,4m business.

As a difference to capital business the service business follows customers in selection of operational sites. In our region the key operational, knowledge and business hubs are: Hamburg, Amsterdam, Rotterdam, London, Hull, Oslo, Stavanger, Copenhagen, Gothenburg, Stockholm, Mariehamn, Helsinki, St. Petersburg, Tallinn, Klaipeda, Gdansk and Gdynia. As an example the ship repair, maintenance and

conversion business of BLRT is performed in customer's business areas. Shipyards are in Naantali, Tallinn and Klaipeda complemented with customer service in Hamburg, Helsinki and St. Petersburg followed by flying squads mobilized around North-Europe. The Baltic Sea industrial marine service is about €3bn regional market. Actors in it are in addition to regional industrial operators with facilities, procedures and in-house talents are also global original equipment manufacturers services and local entrepreneurial installation teams.

In current market situation where scarcity of funding, work force and natural resources in expected and competition between regions is growing we need to do even better and be able to meet future challenges through renewal. Joining separated product and service offering into lifecycle business we can create additional value, having digital interfaces between operational end-users and this high knowledge industry we make interaction time and location neutral, introducing financing like in other transportation industries the overall value will be comparable, in these and other examples the focus to be on value creation and how it's captured. Current value chain model has worked previously and it's been strong especially in east-west co-operation of our region. One way to move forward is to re-think the value creation/capture and base it on value network where actor is awarded by value it's creating to end user, not necessarily the value it pull's through. Another element to be considered is sharing and collaboration. Lately the public-private co-operation has been lifted with enabling capabilities on discussions and studies. Perhaps that is one of future fairways, but crucial for marine industry will be how we in practice share and support research, business intelligence and financing. Locally in Turku area some good initiatives for specific developments have been taken lately. Now we need development also in other key locations, more regional thinking connecting Baltic Sea locations and wider scope of business cases from local start-up's to technology transfer into new regions. ■

**VESA MARTTINEN**

Managing Director
Turku Repair Yard Ltd, part of
BLRT Grupp

Chairman of the Board
Finnish Marine Industries
Finland

BO ÖSTERLUND

Our national economy relies on our maritime traffic – true or not?

Expert article • 1573

The maritime transportation of goods will stop without fuel, and the world will dot without maritime transportation

The work shop instituted by the Ministry of Transport and Communications submitted a resolution on March 12, 2014 concerning our sea traffic strategy for the years 2014 - 2022. In the strategy it was stated among other things that "the maintenance of our national emergency supply demands specific measures which will allow us to keep up at our disposal an adequate tonnage sailing under the Finnish flag to safeguard the vital transportations for our society and industry under all circumstances." moreover, we should take appropriate precautions to secure the whole logistics of maritime transportation and the pertinent critical infrastructure in castoff serious peacetime disturbances. Maritime traffic and maritime transportation are linked together with other types of our traffic system which should be surveyed as a whole."

The encyclopedia "Kunskapens bok", published in 1960, deals with the maritime transportation of victuals and raw materials in the world in the year 1937. A total amount of forty-five million metric tons of goods was transported between Europe and America. Eighteen million metric tons of cargo travelled through the Suez Canal to the Far East. Ten million metric tons of goods crossed the Pacific Ocean from the Far East to North America and an additional cargo flow of -10- million metric tons make a total of eighty-three million metric tons of cargo travelled on the seas of the world. One year later the amount of maritime imports to Finland was 3,76 million metric tons including more than two million metric tons of coal, coke, and oil. The total flow of goods of sea-borne foreign trade of Finland in 2012 was ninety-three million metric tons, i.e. close upon the level of the whole volume of maritime traffic on all the seas of the world as calculated at the very entrance of the Second World War.

The clock has been ticking, times have changed, volumes have increased, globalization has reshaped the maritime transportation of goods; today, oil, oil products, coal, and gas with their total volume of 4,6 milliard metric tons make nearly 50 per cent of the cargoes travelling on the seas of the world.

In good times we take scheduled and regular maritime traffic for granted. Shop shelves abound with goods, raw materials and components are at the right place at the right time, the wheels of industry keep rolling, run with sufficient energy, either domestic or imported. We are used to enjoying ample export revenue contributing to our welfare and standard of living which we also take for granted. Last year, the share of imports was 40,3 per cent, and that of exports 39,7 of our GNP. But even a minor disturbance in our maritime traffic may change this situation into a serious challenge how to secure the conditions of living in Finland and to keep the wheels of our industry rolling. Since we Finns have no direct land bridge to the European market, we are, like Sweden, most dependent on our maritime communication system across the Baltic Sea. Sweden, however, has the possibility of exploiting the motorway bridge over the Sound which provides an access to the European market. In metric tons, approximately eighty per cent of the imports to Finland and close upon ninety per cent of the exports ply the seas on vessels. It is not feasible to substitute sea transportation with other forms of conveyance because the cargo volumes are

so high. The sea traffic routes with all necessary infrastructures are already there, i.e. they do not require the same amount of investments as road or railway transportation. The investment funds for channels and ice-breaking are collected as license fees from the sea traffic industry. Putting up new ports requires, naturally, new, but fortunately minor-scale investments.

According to our catalogue of merchant marine compiled by the Finnish Transport Safety Agency we possessed a merchant marine of 116 vessels with a total capacity of 1 269 994 dwt (i.e. the total weight of cargo, fuel, water supply appliances, and crew) in our overseas traffic.

Is this amount of merchant marine sufficient when it comes to maintaining our maritime traffic?

The volume of imports was in 2012 48,7 million metric tons and that of exports 44,5 million metric tons including 7,1 million metric tons of transit traffic.

The quotient of the division with the volume of sea transportations in metric tons as the dividend, and the dwt capacity of the merchant marine as the divisor shows that theoretically our merchant marine is expected to discharge as many as thirty-eight single procedures annually for the whole fleet to manage the whole volume of exports from the port of departure to the port of arrival; for imports the number of single procedures is thirty-five. To manage the two directions of overseas traffic requires a total of seventy-three single procedures a year, i.e. about 1,4 total procedures a week.

The share of the Finnish tonnage of the sea transportations to and from Finland in 2012 was 30,5 per cent, as expressed as an arithmetic average of the total volume of exports and imports. For exports the share of our vessels was 41,0 per cent, and for imports 19,1 per cent.

In comparisons based on average values reality may sometimes look merely like an average. This is not, however, the case. For the imported chemicals needed by our industry, the share of our own vessels is only 7,4 per cent. For the imported fertilizers needed by our agriculture the share of our vessels is 11,1 per cent.

When assessing the shares of the Finnish tonnage it should be kept in mind that export and import transportations cannot, as a rule, be into a well-functioning continued transportation system, i.e. the importing vessel cannot always take on export goods. The transportations of exports and imports should, when it comes to energy security and emergency supplies, be primarily surveyed separately on the basis of a reliable, and the "worst" option.

The total volume of the cargoes transported to Finland on average eighty vessels a day is about 2000 metric tons per vessel, i.e. a total of 160 000 metric tons. Such an amount of goods would require 3480 railway cars with a capacity of sixty-eight metric tons each, or 4000 trucks on our roads. All this applies to one day's imports only, export goods need a capacity of nearly similar proportions. As for the order of relative importance, exports do not stand in the front line in case of an emergency or on the same level with imports in significance.

The tonnage sailing under the Finnish flag carries, under normal circumstances, sixty-seven per cent of our total imports of crude oil and oil products. To convey this

amount, our merchant marine suffices for one journey back and forth monthly. If all the export mentioned above is carried by domestic vessels, the capacity will be sufficient for seventeen journeys a year. It is self-evident that the site of the loading port determines the duration of the journey to and fro. As long as Finland imports more than eighty per cent of its oil from Russia, the time spent on a voyage to Primorsk or Ust-Luga and back again is quite reasonable.

As for coal and coke, our domestic tonnage is able to carry, under normal circumstances, 58,6 per cent of the total import. The Finnish merchant marine is capable of managing this amount by making averagely one voyage monthly. If the entire import of coal and coke is transported on domestic vessels, the capacity will allow two voyages monthly. The sites of the ports of loading determine again the duration of the voyages and their maximum number. Most of the coal is imported from Baltic ports.

It is estimated that the whole truck traffic between Finland and Sweden could be executed by the ro-ro vessels and the car ferries traveling from Turku and Naantali, which demonstrates well the significance of South-West Finland in maintaining our overseas traffic and its continuous flow of goods annually. The number of trucks arriving at the ports of this region is about 110 000 carrying 1,6 million metric tons of imported cargoes; 90 000 trucks exporting 1,4 million metric tons of cargo depart from these ports. This flow of goods equals to more than 40 per cent of the whole number of trucks coming to Finland by sea, and more than 43 per cent of the imported cargoes. The import of crude oil to the oil refinery in Naantali is slightly less than 20 per cent of the total oil import to Finland; this and the delivery transportations of the oil products to the consumers make, along with the service transportation system on the Åland Islands, a vital link in the maintenance of our national emergency system.

Thus we can claim unambiguously that we are not in the possession of a domestic capability of maritime transportation of export and import goods if we are not prepared to increase our capacity in this respect. The degree of adequacy always depends on the subjective opinion of the speaker. Finland's merchant marine in our overseas traffic has, according to statistics, remained on the same level of cargo volumes despite various spurring statements and ambitions concerning adequate measures at least up to the present moment for the whole 21st century. We are dependent on the use of foreign tonnage.

If there's one thing we know for sure, tomorrow's world will always be a little different. ■



BO ÖSTERLUND

Commodore (one star admiral) ret.
Finland

HANNU KOTTONEN

HKScan – from Turku to the Baltic Rim markets

Expert article • 1574

On 11 January 1913, a number of farmers from Southwest Finland convened at the Finnish Agricultural Society in downtown Turku to establish a cooperative slaughterhouse. Decades later, after many challenges in business and politics, this cooperative became the main shareholder of the company we today know as HKScan Group. The Group established livestock sourcing locations and invested also in meat cutting and processing. Both before and after Finland joined the EU, agriculture policies were important drivers for our business throughout the whole vertical meat value chain, starting all the way from genetics and feed. For a long time, HKScan remained a domestic Southern Finnish meat company. HKScan grew via local mergers and acquisitions to become the market leader in the Finnish meat business. Our acquisition of strong local brands such as HK and Kariniemen strengthened the sales of many of our product classics. HKScan was listed on the Helsinki Stock Exchange in 1998.

Joining the EU was predicted to spell doom for agriculture and the food industry in Finland, and admittedly it was certainly very tough for our industry – accustomed as it was to high local costs and prices and domestic regulations and practices – to transform itself and adjust to the EU era and wider internal markets. Drastic measures paved the way to HKScan's survival. Towards the end of the 1990s, we started to grow by making acquisitions abroad, our geographical focus being on the Baltic Sea countries. The first deal was signed in Estonia, resulting in the acquisition of Estonian AS Rakvere Lihakombinaat including Latvian AS Rigas Miesnieks and later on AS Tallegg. Our growth in the Baltics continued with the subsequent acquisition of UAB Klaipėdos Maisto Mesos Produktai in Lithuania and AS Jelgavas Galas Kombinats in Latvia. Our new Estonian business prompted the purchase of Estonian farms for primary production in order to ensure high quality and to avoid animal sicknesses in the primary production value chain. Also feeding and genetics had to be organised and upgraded. Today, HKScan owns roughly 60 properties in Estonia and close to 100 animal halls. One of our biggest pig farms is in Estonia, with a roofed area covering 8.6 hectares and one corner of the complex being six floors high.

After the Baltics, HKScan expanded into Poland by acquiring a minority stake in Sokół S.A. Later this stake was increased to 50%, and with our competitor Danish Crown buying the remaining shares, the whole company came under Nordic ownership. Sokół has grown, currently running seven plants across Poland. It has performed well over the years. The Sokół brand is the leading meat brand in Poland, and its exports are growing. Currently HKScan is in the process of divesting its Sokół holding to Danish Crown. HKScan will maintain its presence in Poland, however, by retaining full ownership of its processing plant in Swinoujście.

In 2006 HKScan bought the business of Sweden's biggest meat cooperative, Swedish Meats. The business owned two Swedish household brands, Scan and Pärsons, and had several production locations and associated companies inherited from the time when the former cooperative slaughtered livestock from across the whole country. The brand and product portfolio included several classics, Mamma Scan's meatballs perhaps being the best known. In late 2010 HKScan bought Rose Poultry A/S and its three processing plants in Denmark. Through its Swedish and Danish acquisitions, HKScan also established a small sales footprint in Germany and the United Kingdom.

HKScan currently exports to some 50 countries globally. The bulk of our exports are meat components which are not part of the traditional Nordic diet, but some specialities are exported as well. Nordic meat is appreciated abroad because of its good flavour, purity, minimal use of medication, hormone-free production and good animal welfare. Japan has long been an important market for quality meat. For many years, Finland and Sweden were the only countries eligible to export meat to New Zealand. Today you can find Mamma Scan's meatballs in retail outlets as far afield as Hong Kong. Work to secure the required bilateral agreements and certifications to get exports started to China will hopefully be finalised soon. EU exports to Russia are unfortunately "on again, off again", posing a challenge to our steady business development there. HKScan has a representative office in St. Petersburg and plans to grow the business. At the moment those plans are on hold.

After 101 years, HKScan is still headquartered in its hometown in Turku, Finland. HKScan's main business and its domestic markets are all in the Baltic Rim area. HKScan's mission states that we are "The Nordic meat experts" – but perhaps "Baltic Rim Meat Experts" would have been more accurate geographically. ■



HANNU KOTTONEN
President, CEO
HKScan Group
Finland

SAM HANSÉN & ILPO MANTERE

Surfing on the waves of emotion across the Baltic

Expert article • 1575

The essential difference between emotion and reason is that emotion leads to action while reason leads to conclusions.

This quote from Donald Calne, a Canadian neurologist born in 1936, is something we love at Saatchi & Saatchi. The word 'love' might not appear very often in this review, nor do we use it because we represent the whimsical, wonderful world of advertising. We use it because love, among other feelings, is a powerful marketing tool.

Consumers and markets have changed. According to Kevin Roberts, the CEO of Saatchi & Saatchi, we have moved from an attention economy to an attraction economy. Instead of informing people, we have to inspire them. We should measure the return on involvement, not on investment. Marketing is not about pumping markets anymore, it's about creating movements. It's not about products, it's about people.

The days of unique selling propositions are more or less over. Nowadays, almost all brands can demonstrate first class technical and functional advantages. This is why differentiation based on emotional benefits becomes essential – why we should make sure that we create emotional responses with communication. In a Journal of Advertising Research article from March 2006, John Pawle and Peter Cooper of QIQ International point out that people now understand how brands work and how they are intended to work on them: "Loyalty cannot be bought for money, but it can be for love."

Finding this a bit hard to swallow? Think about yourself: a smart and intelligent person well equipped with knowledge and the ability to draw conclusions. What happens when you are enjoying the joys of traditional media, e.g. watching a good film on TV? You don't think. You feel. You are full of emotion.

A marketer with emotional intelligence taps into this perception, finding support from many sources. For example, in their book 'Marketing in the Era of Accountability', Les Binet and Peter Field state that emotionally based campaigns on TV are not only likely to produce sizable business effects but also produce more of them, outperforming rational campaigns on every single business measure.

What makes some brands inspirational? We at Saatchi & Saatchi have been looking closely at this crucial question. The answer: they are emotional to the core. In other words, these brands have become Lovemarks. Like great brands, they enjoy high levels of respect, delivering great performance beyond your expectations. But there the similarities end.

Lovemarks also have high levels of love. They reach out to your heart as well as your mind, creating an intimate, emotional connection that you just can't live without. Take a brand away and you will find a replacement. Take a Lovemark away and you will protest about its absence. What is between you and a Lovemark is a relationship, not just another transaction. You don't just buy Lovemarks, you embrace them. That's why you never want to let go. Lovemarks inspire loyalty beyond reason.

Some people would describe Lovemarks as a marketing concept for products and services. We describe it as a thinking-feeling framework that inspires us to create great communication about things people really care about.

And when the communication is great, great things will happen. There is strong evidence to suggest that high levels of love and respect can increase a brand's sales. Consumers also use Lovemarks more often than brands with which they have no emotional connection.

Is your brand already a Lovemark? How do you know? You can put it to a quick test by answering a list of questions you find by doing a web search for 'The Lovemark Profiler': are there great stories attached to your brand, can it provide people with shared experiences, does it fit in with people's dreams about themselves, has it been inspirational in people's lives, does it feed the five senses that are portals to emotions?

To get the precise coordinates for your position on the pathway to love, further consumer research can be carried out. And here's the best part: the results not only tell you where you are, they also show you where your competitors are.

Our research partners have a large database of Lovemark studies for a number of brands from over 50 countries, ranging from airlines to banks to credit cards. Some of them have been commissioned by us on behalf of our clients operating in Scandinavia and around the Baltic. So we in Saatchi Finland know quite well, for example, which household brands are loved in Poland and which boat brands could use a dash of emotion when talking to the Swedes.

Are emotions cross-cultural then? Do we know what inspires or pleases people in other countries? Do we understand what brings them joy or makes them sad? Studies have been completed on this subject and the findings suggest that basic emotions are shared by all people.

Consequently, from the marketing communication perspective, the Baltic Sea does not separate us. It brings us together. ■

SAM HANSÉN
MD

ILPO MANTERE
COB

Lahtinen Mantere Saatchi & Saatchi
Finland

ANNE-MARGET HELLÉN

The Baltic Sea – a top travel destination of the future

Expert article • 1576

What do the cities of Stockholm, St. Petersburg, Turku, Tallinn and Copenhagen all have in common? Together with the rest of the Baltic region, these coastal cities form a fascinating destination for travellers who love the sea, the natural world, rich culture or a city sojourn – or all of these combined.

It may surprise you to learn that of the top cruise destinations in the world, the Baltic region ranks third, welcoming over 3.1 million cruise visitors every year. Less of a surprise will be to note that the Baltic is outstripped by the Caribbean and the Mediterranean. However, time is on our side. This frozen treasure is beginning to thaw, glinting in the eyes of international tourists not so accustomed to its wonders. The huge, dormant potential lies waiting to be unlocked via the key markets of continental Europe and the US.

It has been estimated that the value of the global cruise market will almost double by 2025. We are gunning for a good part of this growth for the Baltic region. The vision is to turn the Baltic region into the best cruise experience in the world. This requires active cooperation throughout region – no small endeavour but one that can be achieved.

What is it that makes the Baltic region such a promising destination? At Cruise Baltic, a cooperative organization made up of ten Baltic countries, we talk a lot about the unique strengths of the Baltic Sea region.

The Baltic region is a perfect combination of old and new, east and west, modern and traditional. It offers probably the most diverse cruise experience in the world! Ten different countries and 27 different city destinations “on a string” – as we say.

The Baltic region has a long history of interaction. As far back as in the 14th century, the region was dominated by the Hanseatic League, an integrated trade network in Northern Europe. At the time the Hanseatic cities were the most important cities of the region. As a result of economic success, culture, arts and science flourished around the Baltic Sea. The medieval houses, churches, palaces and even castles provide a unique charm to the historic cities of the Baltic.

In addition to rich history, the cities around the Baltic Sea are among the most modern in the world. Copenhagen, Stockholm and Helsinki have repeatedly been referred to as “capitals of cool”. Modern architecture, avant-garde events and innovative restaurants all combine to create an atmosphere not to be missed.

The culinary culture is also on the rise as a new generation of ambitious and well-travelled cooks set up their restaurants in the region. Baltic and Scandinavian kitchen traditions have many great ingredients. We have fine seafood dishes, tasty bread, delicious cheese and the best berries in the world. You might consider this the cuisine of superfood at it's finest.

As the head of Turku Touring it is natural for me to be interested in the big picture and what role Turku will play. What distinctive ingredient can Turku bring to the Baltic blend?

A decade ago Turku Touring branded our city with the slogan “Turku – city culture in the arms of the archipelago”. This concept sums up the unique selling point of Turku from the perspective of tourism. It also goes to highlight the special role in which Turku can shine amongst other cities.

Turku, the European Capital of Culture 2011, is a gateway to the most extensive archipelago in the world, the Scandinavian Islands, stretching from Turku to Stockholm. This breathtaking natural wonder has been called the most beautiful archipelago in the world. For a traveller, there are many ways to get there, from cruising to sailing and from biking to hiking. The Archipelago Trail takes visitors deep into the heart of the archipelago without setting foot on a boat, removing any hassle or stress from planning a trip into the heart of the Scandinavian Islands.

The branding of the Scandinavian Islands is still a work in progress, but we in Turku Touring, Stockholm and the Åland Islands are busy working on it. The West Finland Film Commission has been promoting the region to get more international film groups to shoot in Turku. Its work has already been a success, most notably with regards to regional branding. This exposure has resulted in flattering articles on Turku popping up in such places as in the leading international magazine, the Monocle.

Despite our shared history, we in the Baltic region still see our neighbours as quite distant. This is something that I want to see change. The question is how?

My dream for many years now has been to see a ‘hop-on-hop-off’ cruise of the Baltic Sea. My vision sees a beautiful cruise ship touring round the Baltic Sea from one port to another, picking up and leaving passengers in every port along the way. What a perfect way to visit the Baltic, not only for citizens of the neighbouring countries but also for our more far-flung visitors exploring the wonders of the region.

In Turku Touring we are strongly committed to Baltic cooperation. When we get it right – and get it right we will – destination Turku will be part of a hugely attractive and thriving future for the Baltic region. ■



ANNE-MARGÉT HELLEN

Director of Tourism
Turku Touring
Southwest Finland Tourist and
Convention Bureau
City of Turku
Finland

SARI RUUSUMO

Destination for friendship

Expert article • 1577

Turku, the European Capital of Culture 2011, is the oldest city in Finland and also a popular choice for conferences. Conference City Turku is a member of Congress Network Finland, an association connecting Finnish congress professionals, and also actively involved in marketing Destination Finland. The latest Finland Convention Bureau research gives us interesting information in this specific field of tourism: 662 international congresses with 71,697 delegates were organized in Finland 2013. The economic impact of the congress year was 117 million euros. The previous year 2012 was a record-breaking year with 73,300 delegates. Finland is number 22 in the international congress statistics in the world. How is this possible for a country of five million people? How can this happen so far North and such a distance away? They are not buying events in Scandinavia, are they?

The modern city of Turku has more than 40 000 specialists working in several universities and the largest University of Applied Sciences in Finland. The University of Turku has more than 3000 employees in seven faculties and seven independent units. The Abo Akademi University is the only Swedish-speaking university outside of Sweden and famous for Scandinavian contacts. These specialists and scientists are working in the universities and in laboratories or research centers close to the university hospital organization. The fields of interests and study are numerous in the university world and so is the number of scientists organizing congresses in Turku. Why is this? Who wants to organize a congress even though working life is more demanding than ever and the hours in a day are so limited?

The reasons for the Finnish success in the congress world are very close to human nature. It is very rewarding to host people in our own cities and showing the guests what we love the most: a Scandinavian style congress venue by the lake, a gala dinner in a villa by the sea, a hotel in the middle of a forest -and of course: an institution with the latest award-winning technology. The Finnish hard-working and actively sharing way of thinking is also one of the reasons why Finnish scientists often have leading positions in scientific associations. If you are a member of an association, you might as well be an active member and take part in all the activities benefitting your own field and your own area of expertise. Why be a passive member, it's a waste of time and money!

Honest and sharing people tend to have lots of friends in the working environment and in personal life. Science has no boundaries and a chemist speaks the same language in Finland as another chemist in China, the language of similar interest and inspiration. However, it is very human to like someone more than someone else: with some people one's ideas seem to fly to the same direction in a very effortless way. This is the reason why congresses are here to stay, no mat-

ter how fancy video connections are available. Science needs discussion and opinions, a friendly opening in a certain direction, to flourish. Welcome to Finland, we love to listen and learn more!

Whether one is hosting a dozen or a thousand delegates, national or international, a cultural event or a scientific conference, Turku makes a lasting impression. Turku has the soul of an international culture capital in the approachable setting of a small city. Green meetings are a real life fact in Turku: there are 2,200 hotel rooms in 18 hotels, all within a walking distance from each other and the river

Aurajoki. Destination Turku Finland has a splendid slogan to remember: Urban Legends since 1229. The slogan means that Turku was mentioned in literature in Vatican Rome already as early as in the year 1229. The city was never actually founded but the banks of the River Aurajoki have been a suitable setting for important meetings for decades.

Destination Turku has also another slogan: Kiss my Turku. This slogan is playing with bold words and meanings, but has also a deeper meaning: laughing is good for you. Kiss my Turku is an internet campaign in which local people are recommending their

favourite places in Turku and the Turku Region: a friendly tip from a local to a visitor. Most of us want to see and experience something exceptional, find a place or a spot with an individual meaning, a spirit of its own. Everyone needs a story to remember. I would recommend the Aboa Vetus & Ars Nova –museum with modern art and a medieval part of our underground city. Or maybe a visit to Turku Castle and a gala dinner in Duke John's Renaissance Banquet style. Who knows why there is so much salt served at the dinner tables? Kiss my Turku! ■

Whether one is hosting a dozen or a thousand delegates, national or international, a cultural event or a scientific conference, Turku makes a lasting impression.



SARI RUUSUMO

Convention Manager
Turku Touring
Southwest Finland Tourist and
Convention Bureau
City of Turku

Chair
Congress Network Finland
Finland

JANNE TIENPÄÄ

Focus on tourism – case Finland

Expert article • 1578

Nine countries fringe the Baltic Sea: 8 of these are EU member states, 6 have joined NATO and 4 are in the Euro zone. Nordic countries (Finland, Sweden, Denmark) are among the wealthiest in the world, Germany is an economic super power by any standards, Poland together with the Baltic states (Estonia, Latvia, Lithuania) are emerging European economies. And the ninth country is Russia. Facing these facts it is obvious that although geographically uniform area Baltic Sea is economically, culturally and politically fragmented. This has its implications for tourism too.

The countries mentioned cover approximately half of all foreign tourists to Finland. Despite the economic highs and lows the number of foreign tourists to Finland has continued to grow every year during the past ten years, except one. Almost 5.9 million foreign tourists visited Finland 2013 – an all-time high! Forecasts show a 4% annual increase in foreign travel to Finland until 2020. This is not only because of leisure travel but also business segment has a positive trend. For example, according to a survey made by Finland Convention Bureau, year 2013 was the best congress year ever! Last year these congress delegates generated tourism income of 117 million euros.

In Finland the economic importance of tourism was not previously understood but this has changed and for a good reason. Tourism's share of GDP is now 2.7% and it is expected to rise above 5% by year 2020. A total of 13.3 billion euros was spent on tourism in Finland 2012 out of which foreign travellers accounted for 32%. Of Finnish total work force 7.4% (Ministry of Finance, statistics 2011) comes from tourism and this is growing too.

Promoting tourism

Traditionally Finland is promoted the 'last pure & natural escape' in Europe. Now the focus has to be shifted to highlight trendy city life and our unique culture. We have managed to hold major scale happenings such as European Capital of Culture (Turku 2011) and World Design Capital (Helsinki 2013). But this is not enough, we need still more. Tourism operators have positively commented the talks to build up a new Guggenheim art museum to Helsinki city center. Further we should put more effort to promote the old King's Road connecting three Nordic capitals (Oslo, Stockholm, Helsinki) to St Petersburg. Also on agenda has been a new railway via northern Finland to Kirkenes, Norway on the shores of the Arctic Ocean. This joint-venture (EU, Norway, Finland) is well-worth further planning.

Official Finnish committee was set to define key strategy areas for developing tourism in the future. It highlighted 2014 five strategically important areas: Helsinki capital area, Turku archipelago, Lakeland, Lapland and proximity of Russia. Such strengths as pure nature, safety and well-functioning infrastructure were found. Some weaknesses were revealed too: accessibility, high price level and an image as an unknown destination.

Possibilities

Now, domestic tourism demand can be increased a bit but true potential lies abroad. St Petersburg area has a population of more than 5 million people and it is situated only 300 km from Helsinki. Also the popular ferry routes from Stockholm and Tallinn to Finland make it easy & affordable to travel here. Further, the true future markets are both in central Europe and the Far East (Japan, China, South-Korea). The latter one is due to a Finland's geographically superb location on the geographical curve which makes flights from Western Europe via Helsinki to Asian cities the shortest possible one. This special feature has created Helsinki International airport a huge hub for Europe-Asia travellers. According to IATA (International Air Transport Association) Europe will see international passenger demand growth of 3.9% annually between 2013–2017. This will benefit Helsinki too.

Future threats

Some dark clouds can also be seen on the horizon: general attitude to flying as a non-ecological travel alternative, EU-Russia relations (possible travel restrictions) and Finnish tourism & hospitality industry's ability to continue to be innovative. Official foreign tourist arrival statistics 2014 for Q1 are still to be seen, but entrepreneurs are estimating a significant, that is at -20%, drop of Russian arrivals. This is mainly due to the weakening of Russian ruble against euro in the past 3 months. If these predictions are true and the downward trend continuous it is inevitable that the Finnish tourism will be hit very hard. This underlines the importance of finding new markets, especially from Asia.

However, the future of tourism to Finland looks promising. It employs already 140.000 Finns and generates more than 4 billion euros tax revenue and is together with biosciences and cleantech showing the strongest growth rate. To copy this formula, sustainable tourism combined with quality image, for the years to come is in the wishes of many. I believe this is a mission possible. ■



JANNE TIENPÄÄ

Senior Sales Manager
Sokotel Ltd, part of S-Group Hotels
Finland

MIKKO LOHIKOSKI

Cities as key actors in regional cooperation – the Turku Process as example

Expert article • 1579

The importance of macro-regions in promoting development has gained in importance during recent years in Europe.

This approach, which was first formalized in the European Union Strategy for the Baltic Sea Region (EUSBSR) and its Action Plan in 2009, is based on the understanding

that many important goals can be best achieved through joint action across the borders in a distinct region.

After the Baltic Sea Region, the concept of macro-regional strategies has spread to other parts of Europe. The Danube strategy and Ionian-Adrian strategy are examples of this, and others are in the pipeline. The European Union and its Commission have, together with the member states, been instrumental in developing and formulating these strategies.

To be successful, a macro-regional strategy must be based on a shared view that there are enough unifying factors as well as sufficient will and cohesion to forge closer links of cooperation, that "it makes sense" and is beneficial to all partners.

It is not accidental, that the first macro-regional strategy was developed around the Baltic Sea Region. Since centuries, our region has been a natural area of trade and cooperation, as exemplified by the Hanseatic League. Today, the existence and work of numerous pan-Baltic organisations, bringing together states, regions, cities, civil society organisations, chambers of commerce, universities etc. testifies about the vitality of pan-Baltic links.

A macro-regional strategy such as the EUSBSR has already during its first five years proved to be very beneficial, as it creates a joint platform with common goals for all stakeholders in the region – and thus promotes closer cooperation between them. The existence of many and diversified organisations as such is not a real problem, provided they all work in the same direction, are "pieces of the same puzzle".

Traditionally, international cooperation has been the domain of mainly states and governments. Macro-regional strategies, based on the concept of multi-level governance, allows also other stakeholders to join as partners in this cooperation. They do not replace the important role of Governments but complement and enhance it.

The City of Turku has been an active participant in all this. Let us take as example the Turku process.

The Turku Process is an innovative, bottom-up collaboration concept promoting practical cooperation in the Baltic Sea region, particu-

larly with Russian partners. It builds on decades of close cooperation and accumulation of trust between twin cities. Turku was the first city in the world to establish official city relations with the Russian metropolis of Leningrad, back in 1953. Soon afterwards, the City of Hamburg and Leningrad established their relationship.

The Turku Process is a joint initiative of the City of Turku/Regional Council of Southwest Finland, the City of Hamburg and the City of St. Petersburg, supported by the European Commission's Directorate General for Regional and Urban Policy.

It is based on the understanding that close collaboration between EU countries and Russia is vital to tackling many of the regional challenges and to fully utilize our regional development potential – both human and material.

The Turku Process is working in two main fields of activities. It has been entrusted by the European Union to serve – together with the CBSS Secretariat – as Action Leader of Horizontal Action Neighbours, with the task of promoting participation of Russian, Belarussian and Norwegian partners in

implementation of the EUSBSR and in regional cooperation.

We do our best to ensure, that various flagship projects find partners from neighboring countries in concrete activities to save the sea, connect the region and promote prosperity. This "horizontal dimension" of our work will be strengthened in the future.

In addition, we are also directly involved in concrete projects with Russian partners. The EUSBSR Seed money facility has granted financial support to following three initiatives:

- preKNIGHT: Its goals include development of trans-border green energy and resource saving cluster; creation of regional knowledge network aimed at transfer of technologies and spill-over of information on best practices and new solutions. Lead partner the Turku University of Applied Sciences.
- BSR IWAMA: Interactive water management, with the aim of helping municipal waste water treatment plants in reaching HELCOM recommendations. Lead partner UBC Commission on Environment.
- TransMobinBSR: Structure to speed up the development of transitional mobility in vocational education in the BSR – innovation transfer example of Hamburg – St.Petersburg – Turku. Lead partner Arbeit und Leben Hamburg, Mobility Agency.

The Turku Process is an innovative, bottom-up collaboration concept promoting practical cooperation in the Baltic Sea region, particularly with Russian partners.

Expert article • 1579

During last years, much has already been achieved in cooperation with Russian partners. However, much more could be done. Therefore, the discussions between the European Commission and the Russian Government on finding a formula of cooperation between two macro-regional development strategies – the EUSBSR and the Russian Strategy for the Northwestern District – are of great importance, and their successful conclusion would be very beneficial. Likewise, it would be very important to ensure that participation of Russia and other neighbors in forthcoming funding programmes for 2014–2020 will be achieved.

Recent developments around Ukraine which have led to increased tension between the European Union and Russia may well influence development of good neighborly cooperation in the Baltic Sea region. However, we should do our best to continue mutually beneficial links of cooperation and dialogue also in difficult times.

In this new, challenging situation, the importance of sub-state relations – such as mutually respectful co-operation between cities,

universities, businesses – as well as people-to-people contacts gain an even more important role in helping us to find again the road to trustful cooperation. It may be difficult but there is no other way, as we will continue to be neighbors – be the world weather sunny or stormy. ■

**MIKKO LOHIKOSKI**

Director
External Affairs
City of Turku

Secretary General
Centrum Balticum Foundation

Coordinator
Turku Process
Finland

Pan-European Institute

**BALTIC RIM
ECONOMIES**

To receive a free copy,
register at www.utu.fi/pei

KAUKO JÄMSÉN

Small is beautiful in the Baltic Sea region

Expert article • 1580

Russian ministers and likeminded experts often argue that there are too many players in the Baltic Sea region. We have to get rid of the “institutional nightmare” (“kashmar”) of the Baltic Sea labyrinth”, they say. Only the states can do something about the chemical weapons dumped in the Baltic Sea after Worlds War II, not the cities. This project listed in the Strategy of Saint-Petersburg until 2030 is one example of the thinking “bigger players are better than the small ones”.

Russia wants to concentrate on the forms of intergovernmental cooperation, where the states have main say, such as the CBSS, Northern Dimension, and HELCOM.

The City of Turku and the Regional Council of the Southwest Finland are keen to comment on these views. They live from the Baltic Sea and want to invite all actors to develop the region. The up-down approach is not enough. There is much value in the multitude of organizations.

“They didn’t come up accidentally. There is a natural need for them and the multilevel governance. We have to give the possibility to everyone who wants to contribute to the wellbeing of the Baltic Sea region, not only to the states”, told Director of External Affairs of the City of Turku Mr. Mikko Lohikoski at the Baltic E&E Summit in March in St. Petersburg.

He stressed the importance of broad participation of various stakeholders especially from the Baltic Sea Region, as this promotes “ownership” of and commitment to the regional development. This commitment is essential for success, he considers. Therefore, the real issue is to ensure that all stakeholders and their efforts are “pieces in the same puzzle”, says Lohikoski.

He is also coordinating the Turku Process, which is a joint bottom-up, open for all initiative of the City of Turku and the Regional Council of Southwest Finland, the City of St. Petersburg and the City of Hamburg, supported by the EC Directorate General for Regional Policy.

The Turku Process is promoting practical cooperation with Russian partners, particularly with Saint-Petersburg and the Leningrad region, building on the trust gathered during a long period of twin city cooperation. It has a diversity of actors: cities, regions, companies, universities, social partners, various associations, NGO’s etc. Through it the City of Turku serves as Horizontal Action Leader in the EU Strategy for the Baltic Sea Region.

Another project, which doesn’t fly only through state efforts, is the Northern Growth Zone: Oslo-Stockholm-Turku-Helsinki-Saint-Petersburg. It is essential for the competitiveness of the whole region uniting cities, municipalities, people, business, investments, labor, education and research.

There are several reasons why Russia doesn’t see the point of non-state actors.

1. Russia has no own strategy for the Baltic Sea region. It’s not easy for Moscow to draft the strategy of joint interests for the region which has so many various actors: old Baltic Sea activists like Nordic countries, emerging Poland and the Baltics and the whole Baltic Sea now being a sort of “inner sea of the EU and the NATO”.
2. Whatever strategy Russia would ever have, its strategies have not been working as expected and they are constantly changing. Hopefully the forthcoming updated Strategy for Social and Economic Development of Northwestern Federal District

until 2020 will help the synchronization of European and Russian efforts in the Baltic Sea region.

3. Democracy is subordinated to economy. New ideas are not encouraged. The political and social reforms have got sidetracked. The up-down modernization of the economy has not brought enough innovations. Some of the best Russian economists suggest that the only way to the happy future is the rule of law with democratization of the political system and liberalization of the economy.
4. Russia has been troubled by the “greatness dilemma”. Big investors and companies are favored with benefits while the smaller enterprises try to survive. Even more than twenty years after the transition the SMEs employ only 20 per cent of the labor while in the EU the share is two thirds. The fresh study on the SMEs of the Southwest Finland shows that their share in the tax income of the cities and municipalities is as high as 32-87 per cent. However, this year the Russian government has started to encourage the SMEs by various new initiatives.
5. Russia’s civil society cannot contribute effectively to the Baltic Sea affairs. President Vladimir Putin said in December that civil society should be more actively engaged in decision-making by government and parliament, but that NGOs “should not be motivated by politically biased positions”. When starting his first term in 2000 he promised much bigger role for the NGOs by stating that “Russia needs to have a full-blooded civil society to balance and control the power structures” and “personally I want to establish partnership relations between the executive power and the civil society, the institutions and structures of which are capable of waging active and tough fight against corruption”.

But we have seen some good developments already. The various Baltic actors are influencing each other to avoid overlapping work. The need of joint planning is recognized. Thematic coordination is taking place. And the private foundations like the Baltic Sea Action Group and John Nurminen Foundation are being more appreciated. The NGOs try to “matchmake”, find right partners and list the issues to be solved by NGOs.

The good advice for all who love the Baltic Sea can be found from the great book of the British economist E.F. Schumacher “Small Is Beautiful: A Study of Economics As If People Mattered”. It is published in 1973 and ranked among the 100 most influential books published since World War II.

We can learn from Wikipedia that Schumacher proposed the idea of “smallness within bigness”. For a large organization to work, it must behave like related group of small organizations. His work coincided with the birth of environmentalism and he became a hero to many in the green movement. ■



KAUKO JÄMSÉN

Director, Ambassador
Turku Centre in Saint-Petersburg



KRISTA TAIPALE

Smart development of Baltic Sea region at the core of EU funding programmes 2014–2020

Expert article • 1581

The EU's new Financial Framework period began in January of this year, and continues through 2020. Numerous players in the Baltic Sea region, and the implementers of the EU Baltic Sea Strategy, have been eagerly awaiting the launch of the EU's new funding programmes.

The reason for their eagerness is the fact that although the EU's Baltic Sea Strategy was approved in 2009 during the EU's ongoing Financial Framework period, no separate funding was "earmarked" for it, with the exception of a relatively small item for technical support granted by the European Parliament.

At that time, "the three famous nos" were linked to the launch of the EU's Baltic Sea Strategy: the EU will establish 1) no new institutions 2) no new EU funding, and 3) no new EU legislation for implementing the Baltic Sea Strategy. There was a natural explanation for this approach: the aim was to prevent a situation in which the EU machinery would have expanded, or in which one geographical area of Europe would have received a promise of additional funding in the middle of the framework period. This would quite probably have raised opposition to approval of the Baltic Sea Strategy in the Mediterranean, North Sea, Atlantic, and Black Sea areas, which would have been left without corresponding funding.

The Baltic Sea Strategy therefore hopped on an EU financing train that was already moving at full speed, which is one reason why the projects for implementing the strategy have often run into funding-related problems. At times, it has been difficult to find suitable EU funding for implementing concrete projects.

Now we are at the beginning of a new EU programme period, the structure of which also takes the funding needed for implementing the Baltic Sea Strategy into account. The basic starting point has been that no actual new funding programmes will be set up for the Baltic Sea Strategy. However, one new financial instrument experiment worth mentioning is the "Seed money facility", which can fund projects linked with the main themes of the Baltic Sea Strategy: Save the Sea, Connect the region, and Increase prosperity.

The objective was to respond to the strategy's funding needs in such a way that, in particular, the national and interregional EU finance programmes financed by the European Regional Development Fund correspond as closely as possible to the themes of the Baltic Sea Strategy. The most important funding programmes in the Baltic Sea region during the 2014–2020 funding period are the national ERDF programmes of the Baltic Sea countries, and the shared regional programmes.

Aiming for smart development of the Baltic Sea region

The overall goal of the entire European Union is smart growth, meaning economic growth that is environmentally sustainable, encourages participation by the people, and is based on innovation. In practice, smart growth means improved educational levels (encouraging people to study and go on to further education), increasing research and innovations – developing new products and services which create growth and jobs and help respond to societal challenges and

develop the digital society – in other words, more efficient use of information and communications technology.

All of these strategic goals are also reflected in EU-financed projects to be implemented in the Baltic Sea Region. Strong themes in Baltic Sea Region funding programmes include promoting innovations (the concept of open innovation), improving the state of the Baltic Sea environment, efficient management of natural resources and reducing emissions into the sea, transport, logistics and accessibility, promoting small and medium-sized enterprises, increasing the appeal of the Baltic Sea region from, e.g., the tourism perspective, as well as health, culture, and education. Enhancing youth employment and the fight against youth unemployment and marginalisation is a shared and important goal for the entire EU.

One important regional operating model in the new EU programme period is the so-called smart specialisation approach. Smart specialisation means that regions specialise in their own areas of strength. It also means utilising growing industrial areas and new innovations, sustainable growth, and strengthening competitiveness by means of interaction among the business community, universities, and public administration. Before the approval of national Structural Fund programmes, the European Commission requires that the regions draft so-called smart specialisation strategies. In these strategies, the regions identify their most competitive economic cutting edges and the value-added chains that lie behind them, and create their own action plans for advancing their spearhead projects in smart specialisation.

Another element of smart specialisation involves developing the regional innovation ecosystem and making mutual collaboration among regional innovation players more systematic. Themes related to smart specialisation will be highlighted in future funding programmes, also in the Baltic Sea region.

However, it is still important to remember that the EU's funding programmes are merely operating tools. Successful implementation of the Baltic Sea Strategy ultimately depends on people – on you and me. Let's work together to make the Baltic Sea region a wonderful and unique place to live, raise future generations, and work! ■



KRISTA TAIPALE

Head
Turku-Southwest Finland
European Office in Brussels

TAPIO REPONEN

University of Turku has an active participation in Baltic Sea region development

Expert article • 1582

University of Turku is a multidisciplinary research University with around 20 000 students and with a personnel of 3500 people. Internationalization is a very important objective of UTU. In that context the University has made a plan for partnerships with other Universities and the Baltic Sea region has an important role in that plan. Links to Baltic countries, Sweden, Denmark and Russia are regarded important.

This development is a natural continuation of the earlier well-established relations with these countries. In the following there are some examples of the actions UTU has taken to deepen the Baltic Sea region relationships.

UTU is running an international master program, Baltic Sea Region Studies. It is interdisciplinary program with regional focus. The program has been introduced in the following way:

"It combines theories and methods from a host of academic fields to discuss and analyze the historical, political, social, economic and cultural development of the Baltic Sea Region, whose emerging importance was testified e.g. by the 2010 adoption of the European Union Strategy for the Baltic Sea Region. Regional perspectives are related to the effects of globalization as well as the national, cross-border and international cooperation in and among the countries of the region."

The students are coming from different countries but many of them are from the Baltic Sea area. The program combines political, social, economic and cultural aspects of the region's countries.

UTU is doing research on the state of the Baltic Sea at the Center of Environmental Research. The center has a research institute on an Island called Seili. It has a special focus on the longitudinal study of the biological and ecological condition of the Archipelago sea, but the Institute has also a wider perspective on the contamination of the Baltic sea. Additionally, the Institute offers research services and facilities for courses and seminars, mainly for universities.

The Turku School of Economics at the University of Turku is running Pan-European Institute. The Institute observes the economic development in the Baltic Sea region, in the Arctic region and in the EU's neighboring countries, particularly in Russia, Belarus and Ukraine. PEI conducts research that constitutes the basis of education and courses provided at the Turku School of Economics. The main interest groups for the Institute are international organisations, Finnish governmental ministries and the Academy of Finland, as well as large corporations.

UTU is also coordinating the PSKOV Eurofaculty project, which has been introduced in the following way:

"EuroFaculty Pskov (EF-P) project was launched in 2009 in the region of Pskov in Western Russia, close to the border of Estonia and Latvia. The main aim of the project is to upgrade university education in Business Economics/ Business Administration at the recently created Pskov State University (PskovSU) which is the result of a merger of five education institutions in Pskov. The Pskov State University celebrated its official anniversary on October 14, 2011. Before the merger the recipient institutions were the Pskov State Polytechnic Institute and the Pskov Volny Institute (the latter until June 2010).

The second three year phase (2012–2015) of the EF-P with newly revised objectives and even wider university base around the Baltic Sea area was launched on September 1, 2012. The EF-P has ambitious goals for the second phase: launching of an International Master Programme around the Baltic Sea business, launching of an International Management Development Programme with unique content, as well as drawing a regional development plan with emphasis on entrepreneurship and innovation"

University of Turku has membership in several organizations which are dealing with Baltic Sea region questions. These include Baltic Sea Region University Network (BSRUN), Centrum Balticum and WHO Healthy Cities network in Baltic Sea region. University of Turku is a founding member of BSRUN and it has coordinated the network over ten years.

These examples show the active interest in developing Baltic Sea region area. Baltic Sea region is a very natural operational environment to University of Turku. Networks and partnerships very much already exist, now the question is how to fully utilize them. It is widely expected that Universities would have a significant impact on economic and social development of societies. With collaboration within Baltic Sea region we can promote this objective. ■



TAPIO REPONEN

Vice-Rector
University of Turku
Finland

JUHA KETTUNEN

A glimpse at the migration flows in the Baltic Sea region

Expert article • 1583

According to statistics for the City of Turku, among foreign citizens in Turku in 2012, the largest number (1454 out of 10 888) were Estonians. This article describes the migration flows in the Baltic Sea region based on the Central-Baltic JobFerry project, for which the Turku University of Applied Sciences was a partner. The project was funded by the Central Baltic INTERREG IV A Programme, which covered regions in the central Baltic Sea area. The environmental projects of the programme were described in the earlier study (Kettunen, 2012).

The CentralBaltic JobFerry (<http://cbjobferry.eu/fi/>) is a cross-border educational and labour market project, which was planned as a collaboration among partners from Finland, Sweden, Estonia, and Latvia. The purpose of the project was to intensify the cross-border cooperation of labour market participants in the Central Baltic region. To achieve this objective, the project arranged cross-border conferences and networking events to exchange best practices.

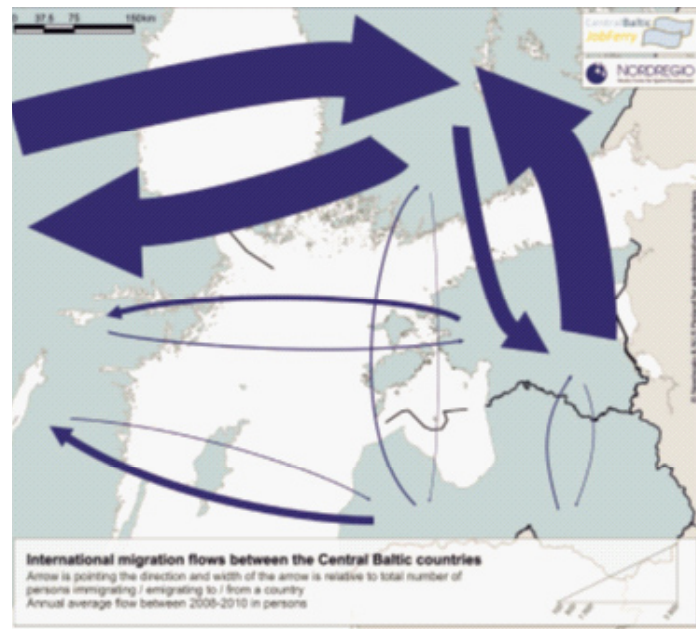
The project provided information about professional education and training in Latvia, Estonia, Finland, and Sweden. School graduates can find detailed information on such topics as educational requirements and contacts, duration, and the cost of the desired education. The project also provided information about employment opportunities in the neighbouring countries, level of salaries, and training opportunities in their professional field. Job-seekers can also obtain information on the recognition of professional qualifications. The project also provided information for employment agencies and educational experts.

The Centre for European and Transition Studies (CETS) of the University of Latvia was the lead partner of the project while the Nordic Centre for Spatial Development (NORDREGIO) was responsible for the research of professions and analysis of the cross-border labour market. The Institute of Baltic Studies (IBS) focused on the research activities, contributing to the partnership with an analysis of the Estonian labour market situation, a mapping of job profiles, and marketing and network development activities. The Turku University of Applied Sciences organised workshops and training courses with a focus on cross-border transfer of knowledge between labour market experts, educational institutions, and social partners.

Since the collapse of the former Soviet Union in 1991, the Central Baltic countries have integrated into a common economic and labour market area. Finland and Sweden joined the European Union in 1995. A remarkable change took place in 2004 when three Baltic countries acceded to the European Union and NATO. The Baltic Sea countries have experienced considerable structural changes and economic growth that have caused changes in the labour market and migration among these countries.

Figure 1 illustrates the migration flows among the Central Baltic countries during 2008–2010. It can be seen that the greatest migration flows between Sweden and Finland are somewhat in balance, which is partly due to the fact that there is return migration of Finns who moved to Sweden for better earning opportunities in the 1960s and 1970s. On the other hand, the migration from Estonia to Finland is much larger than the migration from Finland to Estonia. The other migration flows clearly have minor importance.

Figure 1. Migration flows between the Central Baltic countries (Kahila, et al., 2013)



Migration flows increased due to the free movement rules of the European Union. About 10 000 Estonian citizens lived in Finland in 2000, but the figure increased to 40 000 in 2012. Estonia has also lost citizens to the United Kingdom and other Central European countries. In addition, Estonia has received return migrants from Finland, Russia, and the Ukraine.

Overall, migration can be seen as a positive thing, if it is in balance and if it promotes fruitful collaboration in international trade. If the migration occurs mostly in one direction, the result will be economic and social instability. This brain drain causes a negative contribution to the number of applicants in higher education. There are also consequences within the labour market and among the ageing population in the long run.

In summary, it can be concluded that the imbalances of migration cannot be ignored. The labour market flows of the Central Baltic countries are closely connected and there are economic incentives to move to other countries. For example, wages are higher and social security is much better in Finland than in Estonia. These circumstances attract more people to come from Estonia than the lower cost of living and other incentives encourage people to migrate to Estonia. ■



JUHA KETTUNEN

Rector
 Turku University of Applied Sciences
 Finland

References: Kahila, P., Roto, J., Perjo, L. & Lange Scherbenske, S. (2013). Cross-border labour mobility in the Central Baltic region, Nordregio Report 2013:2. Stockholm: Nordregio.
 Kettunen, J. (2012). Environment projects in the Central Baltic Programme, Baltic Rim Economies, No. 6, 22.

MARKUS GRANLUND

Looking at research and education in business and economics from local and global perspectives

Expert article • 1584

The new strategy of Turku School of Economics (TSE) specifies the mission and vision of the school. We want to be leading edge researchers, educators, and actors in the society especially in innovation, foresight, and responsibility. We see these interdisciplinary fields important in the short and long run, as well as at local, regional and global levels.

Often, business schools declare in their mission statements that they want to be leading schools at the global level. The discourse seems many times to operate only at this relatively abstract level. At TSE, it has been extremely important to position ourselves also at the local level; as a desired and respected partner for the local communities and stakeholders. We are continuously making an effort to guarantee our position as the leading university based partner in research, education and societal interaction in Southwest Finland.

The careful SWOT analysis (strengths, weaknesses, opportunities, threats) carried out last year testifies to the strong position of TSE in many respects. TSE belongs to the wide group of established and esteemed business schools in the Baltic Sea region that maintain high international standards in research and education. Our unique expertise in innovation, business foresight and responsible management/businesses provide a platform on which to develop the position of Turku and Southwest Finland as an "intellectual center" of also Baltic Sea related issues in Finland. At the school level, this work is naturally mainly carried out at our five departments, including the internationally unique Finland Futures Research Centre (FFRC).

Being part of University of Turku, TSE is able to combine its knowledge and expertise with similarly highly respected and globally recognized research and teaching practice from other relevant disciplines, which range from humanities, education, sociology and law to medicine and various fields of natural sciences. We have over the last years built strong research projects and groups to facilitate interdisciplinary knowledge creation, and also built mechanisms to facilitate the transfer of this knowledge to the society broadly.

One example of such broad-based co-operation is the newly established research network on digital games, called "Up your game". The network combines game research from several disciplines contributing to our existing knowledge on games, gaming, and utilization of games. The network combines cultural and artistic contents with technologies and business aspects. The network has members from all the seven faculties of University of Turku – including TSE widely,

and disciplines such as psychiatry, information sciences, and cultural studies – as well as from the Åbo Akademi University and the Turku University of Applied Sciences. The network is supported by the City of Turku by several means.

Another example of a notable co-operation network relates to the transformation of shipping and shipbuilding, a particularly important topic in the Baltic Sea context. TSE and the faculty of law at the University of Turku recently received a significant research funding from FIMECC (Finnish Metals and Engineering Competence Cluster; one of the top know-how Strategic Centres for Science, Technology and Innovation in Finland). The researcher group aims to develop new business models for the maritime and offshore industry and improve the agreement processes in business networks in this field. There are also other related projects in this regard that relate to the sustainability and responsibility in shipping in the long term. Such projects broadly combine visionary know-how of marketing, international business, strategic management, and futures studies. Such research and visioning is partly related to the ideology of creative destruction, needed to shake and transform old and established business models.

These kinds of examples are many and increasing in volume in the Turku area. Even if we may be relatively small in terms of resources as compared to the largest universities in, for example the US, together with our partners we may be surprisingly strong and innovative. By combining the resources at the local levels – involving universities, companies, cities, and other public sector organizations – we may build regionally and even globally impactful research and teaching communities. We may say that we constantly operate in the local-global continuum, where our local, regional and global partners are equally important. ■

By combining the resources at the local levels – involving universities, companies, cities, and other public sector organizations – we may build regionally and even globally impactful research and teaching communities.



MARKUS GRANLUND
Dean, Professor
Turku School of Economics
University of Turku
Finland

URPO KIVIKARI

Turku – “Baltic city”

Expert article • 1585

The report “Vision and Strategies around the Baltic Sea 2010” (VASAB 2010) was accepted by the Baltic Sea Region (BSR) states in 1994. The report was no mere idealistic chimera, but a programme document with the widest political support. VASAB 2010 report includes named “Baltic cities”, which were expected to get a special role in region’s integration and priority when homes are chosen for BSR institutions and organisations. How well Turku – one of named cities – now twenty years later meets the expectations as a “Baltic city”?

The history of Turku is unique in Finland. Finland’s oldest town never was founded, it just started to develop at the mouth of river Aura more than 700 years ago. Throughout its history Turku has been linkage between Finland and the rest of world without any break or decline, which has been the fate of many other ancient cities. Indeed, Turku is neither a late gate nor a newcomer in the BSR networks.

The location of Turku at the seaside in South-West Finland is very favourable for a hub. According to an old saying Turku is Finland’s “gate to West”. Moreover, e.g. in trade with our eastern neighbour the Soviet Union/Russia Turku has been in many years the most important origin of exportables. Various traffic connection to inland and abroad together with developed logistic services increase Turku’s attraction as a center of economic and cultural exchange.

The City of Turku has given in its development plans a high priority to BSR perspective. Turku’s closest city relations are in the BSR, where Turku has a comprehensive network of sister cities. These originally bilateral relations now have new forms and dimensions. Turku was founding member of the Union of Baltic Cities (UBC) in 1991, and continues to be an active participant in the UBC. Turku has hold a vice presidency and responsibility of strategic development of the UBC and hosted many years the Secretariate of UBC Environment Commission located in the Baltic Sea House in Turku.

Turku has been the initiator and active promoter in the Turku Process. This is an innovative, bottom-up collaboration concept promoting effective cooperation in the BSR, particularly with Russian partners. The Turku Process is a joint initiative of the City of Turku, Regional Council of Southwest Finland, Saint Petersburg and Hamburg, supported by the European Commission (DG REGIO).

The “Oslo-Stockholm-Turku-Helsinki-St.Petersburg development corridor” is aiming at revival of old “kings route” and enhancing overall regional cooperation in the northern coast of the Baltic Sea. The City of Turku has high expectations for this project, which puts together public sector, business life and other relevant spheres.

The City of Turku has been again and again one of initiators and active participants in many common projects. Turku and its surrounding constitute the Regional Council of Southwest Finland. The Council is an active member in several BSR and other international organisations.

Centrum Balticum Institute is a think tank aiming at efficient collaboration among BSR experts. The City of Turku is the main partner of the institute. Two universities in Turku play important role in the work of institute.

International dimension is absolute necessity for all high standard universities, also for University of Turku and Åbo Akademi (university using Swedish language) in their all activities. Proximity is not in university world as evident advantage as e.g. in business life, but anyway the BSR and universities of this area have a special position in our universities. In research and education as well as in exchange of teachers and students the BSR has a major share.

In addition to various research projects related to the BSR, University of Turku has carried out remarkable programs concerning specifically the BSR. Interdisciplinary Doctoral Programme of Integration and Interaction in the BSR has long traditions. Baltic Sea Region Studies programme offers two tracks of studies: a two-year international Master’s programme as well as non-degree studies for exchange students and Finnish degree students at the University of Turku. Both tracks are interdisciplinary gathering the academic expertise from several faculties and international partner universities. An incontrovertible proof of interest in BSR cooperation is that University of Turku has been the prime mover and promoter of The Baltic Sea Region University Network.

The significance of the BSR is great and still increasing for many areas of activity not touched in this short article. In business the re-born functional BSR is seen more and more as home market.

Turku, “Baltic city”, certainly is in June 2014 competent to host the Council of Baltic Sea States and the meeting of the Baltic Development Forum as its member, as well as many other events of the “Baltic Sea Week”. ■



URPO KIVIKARI

Professor (emeritus) of International Economics
University of Turku
Finland

NIKLAS ÖSTERLUND

Sports – a bridge across the seas

Expert article • 1586

The Baltic Sea connects, it protects, it transports, but, in course of time, it has also isolated and separated people from each other. Sports unites people across boundaries and represents international intercourse at its best.

In the first Summer Olympic Games arranged in the Nordic countries, Stockholm 1912, Hannes Kolehmainen put Finland on the world map by winning gold medals in cross-country running, and all long-distance races. As Finnish runners started to dominate long-distance running, the nickname “the flying Finns” was passed on to all successful Finns in the sport, including multi-Olympic gold medalist Paavo Nurmi. He was born in Turku, won three gold medals at the 1920 Summer Olympics in Belgium and five at the 1924 Summer Olympics in Paris. Finland is widely known all over the world, even beyond sports circles, due to them and other world-class athletics champions, rally drivers, soccer players, and particularly our ice hockey players.

Since the Treaty of Lisbon of the European Union in 2009 sports has been one of the official policies of the Union. According to the Treaty “the Union contributes to promoting European sports, and takes into consideration its specific features, structures based on voluntary activities, and its social and educational objectives.”

The roots of ice hockey reach back in the history for many centuries to various bat, stick, and ball games played in Europe on the land and on the ice. During the 1800s a game called “hockey” was developed in England, and subsequently it came to be called “hockey on ice” or “bandy”. In the 1890s the game gained foothold in Sweden and in Russia. In winter 1899 Suomen Urheilulehti (“the Finnish Sports Magazine”) published an article on a hockey game played on the ice off Helsinki. This item of news has been regarded as the earliest notice of the arrival of ice hockey in Finland but actually the game may have been an event of bandy in which a wooden puck or a ball was used even in Sweden until 1904.

Winter and icesports are inborn in us Finns who live here in the North by the Baltic Sea. As a rule we have lots of snow in the winter season, and the Baltic is bound to freeze up allowing us to skate on natural ice.

The International Ice Hockey Association was established in 1908, and the first European Championship Tournament was won by Great Britain in 1910. Also Swedes were swift to learn the secrets of this new game; their team, composed of bandy players, came fourth in the first Olympic Tournament in Antwerp in 1920. For a long time, Finns were averse to this Canadian game and preferred “European ice hockey” which in the 1920s was renamed “bandy”. In fact, Finland was one of the last European winter sports countries to join the circle of ice hockey devotees.

The breakthrough of ice hockey was connected with the critical years of social changes in the late 1960s and the early 1970s when ice hockey became the most popular team sports in Finland and the whole nation’s favorite game.

Differently from most other countries, the youth of the growing Finnish urban neighborhoods now found their way to the ice hockey rinks rather than to soccer fields. Top-level ice hockey became a matter of business, and the best players were practically professionals. TV and commercial agreements brought more money to the game, and the Ice Hockey League was reshaped into the Finnish Championship League, administered by the associations, in 1975. At the same time, Finnish ice hockey excellence was acknowledged as

a successful export article. Finnish ice hockey players were seen in the rinks of Central Europe as early as in the late 1960s. Veli-Pekka Ketola and Heikki Riihiranta were the first Finns to appear in North American professional ice hockey events, and Matti Hagman became the first Finnish NHL-player in 1976.

In the 1970s the Finnish National Ice Hockey Team, “the Lions”, proceeded to hunt for medal in earnest. In ice hockey, unlike other ball games, top-rate contests are arranged annually. Every spring “the Lions’ ” pursuit of medals became a thriller which always ended unhappily but, nevertheless, contributed to increasing the public interest much like a good serial. On our domestic athletic map ice hockey is the most popular sport when it comes to the numbers of spectators, to TV visibility, or to sponsorship. Ice hockey cannot boast of such dominance in any other European country, and even on the global scale only Canada reaches the same level. For this reason, Finland has become a superpower in ice hockey in spite of its small size.

In international ice hockey it is always a question of winning but also of learning and acquiring knowledge and information. Tournaments and other top-rate contests have been arranged by several countries to settle the best team and the winner already for a long time. Culture has developed and brought forth “local adversaries” between certain countries; the contests between Finland and Sweden being two of the best examples in this aspect.

International ice hockey will take a long leap forward when the CHL (Champions Hockey League) starts running in August 2014. This league, established by twenty-six European teams, six national leagues, and the International Ice Hockey Federation (IIHF) is the next long step towards a thorough-bred European Championship League. The European attitude and strong togetherness is utterly tangible when the leaders of the teams gather to build up the common dream. I have had the honor to promote the progress of one of the most successful Finnish ice hockey teams TPS on its way to the CHL. Even if the one and only objective of the game is to win, this will be a unique opportunity to the supporters of every team to open their eyes and business channels to Europe through ice hockey.

On the annual IIHF ranking list of ice hockey countries Finland was rated second in the year 2011, which position we have now held for four years, the first two years after Russia, and the the two next after Sweden.

During the ice hockey season 2013–2014 Finland has had about twenty ice hockey players as sports envoys in the NHL, more than thirty in the KHL, and more than ten in the “Elitserien” (the Elite League) of our neighboring country Sweden. Finnish ice hockey players are well-known sportsmen in the world. Among the players raised by TPS, the Koivu brothers, Petteri Nummelin, and Lauri Korpikoski are well renowned in the ice hockey world, and quite recently young Rasmus Ristolainen has entered upon his professional career. ■



NIKLAS ÖSTERLUND
CEO
HC TPS Turku Oy
Finland

JUHA JÄRVINEN

Communities, individuals and cultural history among Baltic and Nordic male choirs

Expert article • 1587

The Baltic and Nordic countries around the Baltic Sea share a common governmental and cultural history. International trade markets since the Hanseatic League have made people and goods to travel. The Swedish great power period seems to be a conjunctive issue that explains many educational and cultural similarities of the area. During that time Sweden founded three universities: Tartu (1632), Turku (1640) and Lund (1666).

The male choir instrument with four or more adult male voices without boy sopranos or altos was born around 1808 in Zürich, Berlin and Uppsala. In Finland and Sweden the university students organized the start of the modern male choir singing, which explains its close connections to the circumstances of the whole society. The male choir instrument has had strong positions in language cultural fights and even in the birth of national states according to the national romantic ideologies during the 19th and 20th centuries.

In Finland the oldest male choir still existing is *Akademiska Sångsällskapet*. It was founded in 1838 by a German conductor, composer and teacher Fredrik Pacius. In 1848 the choir performed a premier of the hymn *Vårt Land*. The Pacius's composition is the national anthem both in Finland and Estonia.

Founded in 1883 within the Helsinki University, the YL (students' union) male choir is the oldest Finnish language choir in Finland. During the next decades there started several other male choirs in Viipuri (1897), Jyväskylä (1899), Lahti (1904), Tampere (1909), Outokumpu (1910) and Turku (1914). Especially YL has had a significant position as a developer of the Finnish male choir instrument, both as subscriber of new compositions and as performer of the national repertoire in Finland and overseas.

During the 19th century, the Russian emperor governmented the areas, which are at present known as Finland and Baltic states. After the World War I and the Russian revolution in October 1917 Estonia, Finland, Latvia and Lithuania became independent. In all of these countries the male choir repertoire had included songs about people and nationality during previous decades. These patriotic songs became now symbols of the independent nation.

Besides of patriotism, the male choir songs about the nationality had connections to a voluntary national defence. In Finland the Finnish White Guard organized voluntary military training during 1920's and 30's. Many guards had male choirs and marching bands, too. After the World War II the Guards were closed down due to the peace treaty. However, many male choirs of guards established themselves again. That's why there are so much male choirs aged 65-70 years in Finland.

Male choirs in Finland share a common repertoire containing dozens of songs. When two choirs meet, they are able to sing together for hours. The repertoire also includes some songs, which are widely

known in Baltic and Nordic countries. Many choirs have toured abroad, especially in neighbouring countries. Furthermore, many choirs have friendly choirs abroad and a history of many concert tours astride. Besides the choir organizations and the members of the choirs, their family members often have been involved to the participatory international cultural changes, too. Even if there is not any shared language, singing and music offer a strong feeling of togetherness.

Especially in Estonia, a song celebration is a strong tradition. The most popular festival is organized in Tallinn. It will collect dozens of thousands of performers and an audience of more than 100.000 people again in summer 2014. Estonian provinces produce their own celebrations. The different choir forms gather their own festivals. The male choir song celebrations are collecting singers from all Baltic and Nordic countries.

Many Estonian people seem to consider these massive happenings as the most important symbols of their nationality. The current Estonian independency since 1991 is often said to be based on a singing revolution, while the ideas of independency and nationality had encouraged among the participants of the song celebrations during the 80's.

In 2009 Luvia Male Choir LMC, which I conducted that time, was participating in a party held after a concert as a guest of Võru male choir in Estonia. With the Estonian choir conductor, with whom I did not have any shared language, we could somehow decide to sing our national anthems, which share the same melody composed by Fredrik Pacius. Somebody announced and instructed that the Estonians will start, LMC will continue in Finnish and the song will go on further by turns in Estonian and Finnish languages. The Estonian flag came in, everybody raised, and the song started. It was an incredible moment containing a lot of Baltic history, friendship and relationships among singing men, and a feeling of brothers-in-arms. Obviously our singing described the shared emotions, which may be hard to describe with spoken words.

The future of the male choir instrument is connected to the number of the boy's choirs and singing boys. In Estonia there is a lot of boy's choirs. Unfortunately, in Finland the situation is not so promising. The school music teaching is not based in singing as much as in earlier decades. Surprisingly, there have been some popular new male choirs in Finland, for example Semmarit in Jyväskylä, which is promising a good future for brave male choir reformers.

The existence of many male choirs around the Baltic sea may be explained by the motivation factors of the individual choir members according to Abraham Maslow's hierarchy of needs. The choir members have usually fulfilled most of their physiological and safety needs elsewhere. The choir offers them a feeling of a strong belonging to a remarkable group, brotherhood of singing men (called "lauluveljet", in Finnish) and connections to the reputable societal and cultural his-

Expert article • 1587

tory. Further on, the singers feel achieving self-respect and respect from other people in the choir and also outside it among the concert audiences. Finally, at least sometimes, they reach a fulfilment feeling. Often it is a sudden, short moment, when the technical demands of the choir singing succeed and the emotions of the singers are unveiling. The audience may understand and also feel this for example in tears of some singers. This emotion is hard to reach, and more often it is impossible to maintain. ■

**JUHA JÄRVINEN**

Principal
Turku Conservatory of Music and Dance

Choir conductor
Male Choir LY in Turku 2013
Luvia Male Choir 2001–2012
Finland

Pan-European Institute

**BALTIC RIM
ECONOMIES**

To receive a free copy,
register at www.utu.fi/pei

KARI IMMONEN

Monuments for men or monuments men? (Best) possible scenarios for visual arts

Expert article • 1588

In today's uncertain and unpredictable moment in history everything seems to be in flux and the predictions of what might come are increasingly manifest. Being a museum man and arts professional I tend to dwell on the matters of visual arts. What are then the futures of art and what is the ideal preferable situation that we should strive to create? Here few in my view not too utopian and economically and politically feasible scenarios.

In the coming decades the winners will be found among the decision makers and resource granting bodies whose actions are guided by the arm's lenght principle and who do not see art as an instrumentalized part of the spectacle of entertainment industry. Instead of measuring effectiveness by income and attendance figures we should evaluate the quality of experience and artistic value of each cultural event. Visual arts and other manifestations of culture have an inherent value and making of art should be made possible by tax deductions, by providing rent free studios and exhibition spaces, by initiating art projects in conjunction with building projects and by other means that ultimately make cities, counties and countries economically viable and desirable destinations for visitors and inhabitants alike.

In the future the new generation of artists, curators and producers are internationally networked and educated. Their field of practice and alike their identity and frame of reference is global and neither they nor their 'comings together' – in the form of exhibitions or other instances – are first and foremost manifestations of national culture. Their actions, message and values might stem from the local situation but don't carry the banner of those in power. The increasingly scarce ecosystem for art and arts institutions has its impact on the policies and guidelines of recruiting. If in today's Finland headhunting new talent to run an art museum or art school is made difficult by rules and regulations concerning the applicant's ability to communicate in Finnish (and Swedish), in the future the focus should be more on the substance know-how and other areas of excellence. By this simple feat of recruiting new raw global talent, the institutions raise their bar and the quality of their products. This becomes manifest in the excellence of student body, art exhibitions, scholarly work and research.

The breaking of demarcation lines and blurring of boundaries becomes markedly visible in the practices of art making, its reception and in its evaluation. For some the value of medium becomes all the more important and for others it is almost obsolete – depending on the maker-creator and the user-receiver of an art object, instance or other manifestation. Same goes for the substance, message or meaning. Within the old school, the traditional paradigms are followed. The artist, and only the artist, gets to decide and has the capacity, skill and gift to unveil his/her vision on canvas and to decipher or reveal

its meaning to the chosen few. Elsewhere the idea, content, visual outlook and methods of making of an art work are crafted in co-operation where the artist becomes more alike a producer and viewer-contemplator is transformed into an active creator of both the work and meaning. This meaning making or reading of an art work has also stepped into a river of flux. The way the art work is 'read' depends increasingly on the aptitude, capacity and goodwill of the member of an audience although a multitude of tools and dictionaries for deciphering the code are provided. On the other end of spectrum reading and understanding is no longer needed or expected. What counts is the common and shared experience. Art becomes temporal and project-

like instead of being something made to last for eternity. The processes might fail and the material outcomes might look less than pristine without making these instances artistic failures. One might say that John Dewey's old maxim "The proof of the pudding is decidedly in the eating" does not go too much of the mark in this instance.

All tomorrow's parties aren't nevertheless that joyful. Naïve belief in technology and its instruments and gadgets becomes apparent in the numerous and all too often embarrassingly bad (post-) internet-art exhibitions and in countless presentations of design and art objects

made by holographic or 3D-printers. Publicity seeking second division players get all the attention and steal the media space from more serious contenders. Line-up is made even more perplex by the arrival of ultra-traditional hippie-luddites whose performances in the wilderness, with their torsos painted with 'vegetable-colours-made-in-tee-pee' – are witnessed by non-other than a solitary crow in the sky. The art scene still consists of shows of good quality sculptural and painterly art, videos and other moving image and photography. The makers and doers of new mainstream still believe in the doctrines of relational aesthetics and preach their gospel in a plethora of multi-medial exhibitions, happenings and events. The art object itself has not disappeared into the horizon, but the means of art making and selection of media is increasingly guided by the practitioner's own background, the good will of funders and the access to technologies.

This multitude of ecosystems and many forms of art also change the places of production and consumption of art. Where before you needed an atelier to be able to make art, today a computer suffices. But as stated before art is not (necessarily) made by a singular person but instead art is made by teams of persons of different backgrounds and professional capacities. Art is shown in temporary spaces outside the traditional hubs made of museums, galleries and showrooms. Breaking and making it becomes all the more difficult and the competition for attention, markets and acceptance is fiercer than ever before.

Instead of measuring effectiveness by income and attendance figures we should evaluate the quality of experience and artistic value of each cultural event.

Expert article • 1588

Art museums turn in this tumultuous moment into 24/7 spectacle bazaars serving food and drinks in a desperate attempt to justify their existence. The interesting question in the future – and more importantly now – is what are the actions and ways of art making and its presentation that are seen as relevant and valuable by the decision makers who ultimately decide the future of art. Is there space for open and constructively critical debate and free discussion about the arctic strategy for visual arts or does art transform into clean and safe CE-certified export product. ■



KARI IMMONEN
Museum Director
Turku Art Museum
Finland

Pan-European Institute

BALTIC RIM ECONOMIES

To receive a free copy,
register at www.utu.fi/pei

MAIJA PALONHEIMO

Film city Turku

Expert article • 1589

The European Capital of Culture year in 2011 in Turku gave the city a positive image boost as a dynamic city of culture and events.

More than half of the residents of Turku and a fifth of all Finns say their interest in Turku and its cultural life grew during the European Capital of Culture year and still continues after 2011. The European Capital of Culture year strengthened Turku's image as a European city with a rich culture field. Still as late as fall 2010, the residents of Turku showed more reserve and skepticism than other Finns, when asked to evaluate the possible positive impacts the European Capital of Culture could have in Turku. However, by January 2012 the residents of Turku confirmed that they felt the European Capital of Culture year left an overall positive impact on the city. In short, one can say the impacts of the year met the expectations.

After 2011, there was clear will to find out how culture should continue to be developed as a part of the economic activities in Turku and its region. An expert working group was appointed to conduct this research and planning work. As a result of its work, the working group made a suggestion that the City of Turku should include the field of culture as a strategic focus point in the overall future strategic decisions. The city should develop its organization in a way that supports the city leadership's ability and possibilities to responsibly secure and advocate the future of the cultural industry. The working group stressed the importance of continuity and development in the cross-administrational work that was greatly strengthened during the European Capital of Culture year and made a concrete suggestion to create a unit that would have the resources and ability to coordinate the event production in the Turku region and stressed the importance of the lead and initiative of the City of Turku and Turku 2011 Foundation in this process. Such a cross-administrational unit already existed in the field of film.

The West Finland Film Commission (WFFC) started its activity at the core of the Arts Academy of the Turku University of Applied Sciences as early as 2003. The basis of its activity is to offer education in film production in Turku. The WFFC's mission is to support the development of the conditions surrounding local production companies, increase the number of locally produced filming productions, improve the employment possibilities in film industry and attract national and international film and television productions. By doing this, the WFFC aims at growing the economic impact and image boost for the region.

Today, the West-Finland Film Commission (WFFC) is administratively under the Turku Region Development Centre and the services the WFFC offers and provides include scouting and securing filming sites, organizing and administrating film shoots, recruitment services, financial advisory services and production support. The conditions for making films and other productions are excellent in Turku as the city has a rich and multi-layered history and modern and logistically urban city structure. The surrounding Turku archipelago is vast and unique in its beauty.

The West Finland Film Commission has actively collaborated with the Turku University of Applied Sciences and its Arts Academy as well as other educational institutions in the region, trying to ensure internship opportunities for the local students in the film and television productions taking place in the area. The productions the WFFC has attracted to the region have offered more than 200 internship

opportunities to the local students and have offered employment to the newly graduated ones over many years. 5 to 7 new audiovisual companies have emerged in the region since 2003 and thousands of volunteers have participated in different movie productions. Some of people them have worked as extras and in assisting roles, some have taken on tasks in production, logistics, costumes, set design or catering. At best, Turku has seen eight long films, a few documentaries and a TV production in one year. This year, the renowned film director Mika Kaurismäki has been filming his latest international film, *The Girl King*, in Turku. More than 10 years of discussions and negotiations lie behind the final result of having this film shot and produced in Turku during this year and next.

In the future, the audiovisual education programs offered at the Turku University of Applied Sciences and the Arts Academy should be developed in a way that they benefit from and advocate even more the activities and overall mission of the West Finland Film Commission as well as the film and television productions in the region. Without an existing film and television education, the West Finland Film Commission would lack an important element and tool in attracting productions to the region. At the same time, without the WFFC, there would be no natural and supportive link between the educational system and working life.

It is of utmost importance to create a film-friendly atmosphere in order to continue the flow of national and international filmmakers to Turku. This is first and foremost a question of right attitudes, but what is equally as much needed from the part of local companies, the municipalities in the Turku region as well as the third sector, is an open-minded approach and collaboration with the West Finland Film Commission and film producers. In many European countries, an effective incentive system is already in place, creating added financial value for the productions choosing these countries in question as production locations. At present, this type of system does not yet exist in Finland. This international support system in question returns the producer a certain percentage of the finances invested in productions abroad. Culture is a dynamic and important part of the business activities in an area and the more this aspect is understood and supported in our region, the more can be done in order to add its importance in the development of the Turku region. ■



MAIJA PALONHEIMO

Managing Director
Linnateatteri
Finland

RAIJA-LIISA SEILO

Turku and changing cultural climate in the Baltic Sea region

Expert article • 1590

The seaside city of Turku and the Southwest region of Finland are regarded by many as the heartland of the country's cultural identity. As the old capital, the city has always been of national significance, and its geographical location at the junction between East and West means it also plays an international role. Turku is Finland's gateway to the world.

For several centuries, Finland formed a part of larger political entities – first the Kingdom of Sweden and then the Russian Empire. The influence of this shared history on the country's cultural life continues to this day. After the First and Second World Wars, Finland as a young, independent nation was in search of its own distinct identity, and close cooperation with the other Nordic countries played a key role in this process. Arts and culture – and their accessibility to all citizens regardless of background or socioeconomic status – came to be seen as an integral part of the Nordic welfare-state model. Another important channel for cross-border ties and exchange in the post-war era was the twin city concept, which became an officially recognised form of cooperation all over Europe, even across the Iron Curtain.

The current and former capitals of Finland's old rulers, Stockholm and St Petersburg, became natural partner cities for Turku. The Baltic Sea, which connects these three cities, has also enabled Turku to reach further south and engage with the artistic and cultural scenes in dozens of other European towns and cities. The Baltic Sea could indeed be described as a 'sea of culture' – surrounded by regions with unique yet interconnected cultural identities.

Linguistic diversity is an important characteristic of this region, with deep historical roots and significance. Europe is fortunate in having managed to sustain such a rich mixture of active, living languages. Similarly Finland has succeeded in protecting its distinct linguistic heritage. Turku and the Southwest region in particular, have played a key role in enabling the country's two official languages, Finnish and Swedish, to develop and prosper alongside one another.

The cultural institutions – the art museums, galleries, theatres and libraries – that were built during the past century along the Aura River, which flows through the heart of Turku, are still important for the city's cultural life. Beyond these buildings, the river itself and its banks have evolved into an open space which today hosts a variety of cultural projects and events.

Just like its political and social history, the cultural history of Turku is long and varied. The structures and connections that were built during the immediate post-war era are still important, but since the early 1990s, the environment has been significantly altered by far-reaching political changes, not least the ever-increasing influence of the European Union. Another, more global, force has been the explosive growth of information technologies and the internet. The past two decades have seen a dramatic change in the forms, content and collaborative opportunities for cultural and artistic expression.

New channels for cultural exchange have developed alongside political ones. The Union of Baltic Cities, for instance, regards arts and culture as one of its main areas of activity, and there are a plethora of other collaborative networks based either on geographical sub-regions or different fields of arts and culture. Perhaps the largest pan-European initiative in this area is the European Capital of Culture, chosen annually. Of cities around the Baltic Sea, Copenhagen, Stockholm, Helsinki, and this year Riga and Umeå, have all held the title. In 2011 Turku and Tallinn shared the honour.

The Baltic Sea was a key theme during Turku's year as the European Capital of Culture. Turku's location as a natural seaport, surrounded by unique archipelago, combined with a city-scape shaped by Central European influences, created a diverse and challenging environment for its cultural programme. Both residents and visitors from other parts of Finland and the wider world were able to enjoy a broad range of cultural and artistic experiences. A lot of emphasis was put on environmental sustainability as well as the ability of audiences to access events and shows online. The Turku Philharmonic Orchestra, for example, was the first in the world to stream its concerts over the internet, while at the other end of the spectrum, some performances were moved from their usual locations and taken to the places where people live – including small and remote island communities.

For Turku, the European Capital of Culture year was a great success. The programme included many collaborative projects with Tallinn, building on the two cities' rich and varied links which extend from the past to the present day. Other Baltic cities, among them Stockholm and St. Petersburg, also featured in the programme and helped to lay the ground for several ongoing initiatives. Many new events and projects were produced specifically for the Capital of Culture programme, but the city's permanent cultural institutions also played an active part during the year.

The programme encouraged people to experiment with new and innovative ways of creating and enjoying culture, and to develop new ties across the region, while also strengthening existing ones. Our task and mission now is to actively build upon this foundation and seize the new opportunities that have been opened up. The Baltic Sea is vast, but as a shared cultural and social space its shores are increasingly close to one another. ■



RAIJA-LIISA SEILO
Artistic advisor

Director (2008–2013)
Turku City Theatre

Member
Arts Council of Varsinais-Suomi
Finland

RIITTA AHDAN

Cooperation challenges in the regional context

Expert article • 1591

Cooperation is maturing in European regions. Next year it is time to celebrate the 25th anniversary of this cooperation that started under the EU supported Community Initiative INTERREG, which has grown into a full scale European Union Objective of European Territorial Cooperation in 2007. This territorial cooperation framework has offered a multitude of means for regions to exchange with each other in order to face common challenges and to exchange their specific expertise. The region of Southwest Finland and its leading city, the city of Turku, have had the opportunity to make the best of these opportunities from the beginning of the Finnish membership in the European Union.

What does regional cooperation mean?

The European Union cohesion policy is the guiding principle underlying the cooperation funded by the union. The joint policies and strategic objectives are spelled out in the strategy outlined for each financial framework and funding period of the European Union. Currently, the Europe 2020 sets out the strategic objectives for all regional cooperation. In addition, this strategic thinking includes the principle of complementary strategic approach that includes the macro-regional strategies as well as regional and local strategies. This means that each level setting out its own objectives at the same time contributes to the overall strategic objectives of the surrounding larger regional area up to the level of the whole European Union. This deeply involves the cooperation perspective in meeting strategic goals as the regions are dependent of the strategic objectives of their neighbouring regions. The European Union funding programmes targeting regional cooperation set out the specific criteria for the eligibility of the recipients of the funding in their rules. These rules guide us in understanding what kind of actors can apply for funding and thereby become partners in cooperation. Most of them are public bodies and civil society associations located within the specified geographic area that a particular funding programme can cover. The new programmes for the period 2014-2020 are being finalised at this very moment, and in many of them the private sector is also becoming an eligible partner for project funding. In other words, regional cooperation is made of partners who originate from regions specified in the programme rules and represent bodies that qualify for the funding. Regional cooperation is policy driven and allows individuals to participate only through formal structures.

How to become the centre of cooperation

Regions that have been involved in cooperation over the past decades have developed many good projects and many good methods of implementing cooperation approaches. It is in the utmost interest of all actors to identify best practices in order to attain sustainable impact and higher result efficiency. Very often the success of cooperation depends on the success of the management of cooperation. Sometimes not even the best management modalities can save good initiatives from external factors that can become crucial success factors or hampering bottlenecks.

The actors and key stakeholder groups of the European Union Strategy for the Baltic Sea Region met each other in their annual working meeting in Tallinn on 9-10 April. The meeting addressed the cooperation across these groups and across different types of funding programmes available for the strategy implementation. From all sides it was confirmed that information exchange and knowledge sharing are key to success. The regions around the Baltic Sea already possess high competences and capacities for this kind of cooperation. The central roles can be adopted by those institutions that have high readiness to share this knowledge and ability to communicate with each other and across sector borders. An integrated approach to managing the exchange was called for.

Regional cooperation can have many centres, just as regional cooperation has many challenges. Links between these centres are of fundamental importance. It could be said that if the links are functional, the more centres there would be and the more effective the cooperation would be. This is providing of course that the centres have different and/or specific enough objectives and goals as operational overlaps only lead to inefficiency in delivery and diversified results. In the region of Southwest Finland the City of Turku has proven its capacity, for example by assuming the role of a Horizontal Action leader in one of the current five horizontal actions implementing the objectives of the European Union Strategy for the Baltic Sea Region.

Opportunities are plentiful

Experiences gained in one framework of cooperation are the building blocks of creating new cooperation actions. Macro-regional strategies challenge regions to reflect their own strategies in this larger context. At the same time, the reflection mirrors the relations between funding flows from European sources and national/regional sources. Being a centre in cooperation brings along the necessity of being an expert in merging the flows of funding and the policy initiatives influencing the focus of each. Yet this is not all, it is vital to have the individuals in the regional and local institutions who have the vision and the capacity to transform this talk into actions. ■



RIITTA AHDAN

Coordinator
Head of INTERACT Point Turku
Project Director INTERACT ENPI
Finland

BJÖRN GRÖNHOLM

Increasing role of cooperation – again

Expert article • 1592

The cooperation and interaction in the Baltic Sea Region has changed a lot during the last decades. Three main differences can be observed. First, cooperation has changed from bilateral relations more into network cooperation. This is most visible when focusing on city cooperation. Another change is in types of cooperation. It has shifted from a general and ceremonial cooperation to a concrete, sector-based but in particularly need-based cooperation. A third change is about who are involved in the cooperation. In earlier times the political and administrative leaders were responsible for and main partners in cooperation - with national and particularly international colleagues and stakeholders. Today all levels and sectors in public administration can be or are involved. In other words, cooperation has become much more diversified.

Despite the above mentioned changes, the EU Strategy for the Baltic Sea Region as well as the general situation and opinion has both brought up the need for further development of the Baltic Sea Region. The macro regional strategies in EU are rather new but bring another coordinating element to the already existing work in the regions, which is needed. The global competition of businesses and skilled persons is ever increasing and every region need to be alert and active in order to manage in this competition.

New growth, new profile and new excellence needed

For a long time, environment and sustainable development has been considered a necessity or legally binding tasks that included extra costs. For private companies, the green profile was something that was considered a part of the corporate social responsibility strategy. The global downturn of 2008 was expected to have a negative effect on sustainable development. However, the recession, including the broad and complex challenges, triggered innovative thinking. Both the political forums and the market started to promote Green Growth. Today we are approached with Smart - ICT-based transport and energy solutions sustaining the quality of life without compromising the environment. The number of solutions to tackle the climate and the economic challenges are increasing steadily, catalyzed by clear incentives benefitting citizens and the environment. Today more than 4 million people are directly employed in the "Green Sector" in Europe. Large scale trend shifts have taken place in China, Japan, and Germany and elsewhere. Nevertheless, the perception of a smart and green profile is still in an initial phase in Europe as well as in the Baltic Sea Region.

Changing a focus from "conventional" to new modern and Smart is a challenge that takes time. The current change can be described as an industrial revolution of 21st century. Brave political decisions can speed up the transformation into modern, energy efficient and smart societies of the Baltic Sea Region and Europe. In the Baltic Sea Region we have a superb basis to participate and build new success stories and growth. The level of education is high, the region is known for being forerunner actors and there is a culture of cooperation, particularly cross-border cooperation. The region in itself is also a growing market, predominantly Poland but also the neighbouring markets of EU (Russia, Belarus, Ukraine etc.) where technical assistance cooperation under the European Neighbourhood Partnership Initiative (ENPI) has taken place.

Increasing role for cities

Political decisions and legislation do not alone make a change. Dedicated, visionary actors with a strong desire to reach goals are needed. During the last years a lot of new types of consortiums have been created in order to meet the challenges with growth but also for example with improved state of the Baltic Sea. The consortiums involve new cooperation partners, more private – public or triple helix consortiums. Many consortiums are often cross-regional or cross-sector. New partnerships with new goals have emerged. Furthermore, there are numerous sub-regional initiatives on Growth Corridors, global private – public partnerships like the World Business Council for Sustainable Cities, philanthropic initiatives, private Foundation Action plans and regional development areas beside more traditional cooperation.

Cities are usually forerunners in cooperation. Many of them have been actively involved in new types of cooperation and partnerships for developing the solutions to meet common challenges and to build attractive, smart and efficient cities with a high quality of life. The traditional cooperation as well as its new types is most important in unstable times. Local authorities can have a bridge building role, more room for building cooperation concepts and increased trust. Cross-border cooperation is an instrumental solution for building our common future. ■



BJÖRN GRÖNHOLM

Head of Secretariat
Union of the Baltic Cities
Commission on Environment
Finland

SALLA-MARIA LAUTTAMÄKI

A clean, productive and shared Baltic Sea

Expert article • 1593

Clean Baltic Sea is a productive Baltic Sea. Since 2007 the Cities of Turku and Helsinki have joined forces to make this dream into a reality together with their partners through the Baltic Sea Challenge initiative. Local actors are stepping to the forefront and making a difference.

The Baltic Sea Challenge is a network of about 200 actors from around the Baltic Sea region. These actors recognise that reconciling the need to utilise our common sea with efforts to improve its state presents a challenge but want to commit themselves and their organisations to take action to ensure a better future. They have a vision of a clean, productive and shared Baltic Sea.

Committed to a shared sea

The Baltic Sea Challenge is a free of charge international network that is focused on protecting waters and is open to all actors. The actors within the network have committed to take concrete action to protect the waters on a voluntary basis, exceeding the requirements of law and their own core operations. They can use the network to find partners, share information and learn and work together to improve the state of the waters.

Through strengthening the shared sense of ownership of the waters and the responsibility for their well-being the Baltic Sea Challenge partners strive for clear coastal waters, healthy marine habitat, clean and safe water traffic, systematic water area management and active Baltic Sea citizenship. The network stresses cooperation and has already realised two international EU-funded projects between its partners.

The City of Turku has been very active in its efforts to improve the state of its local waters. For the City, and the Southwest Finland as a whole, the sea is a matter of the heart. Living next door of unique island scenery, and the Archipelago Sea's waves almost washing the city dwellers' feet, creates a natural desire to preserve.

Local actors and local waters

Together with the City of Helsinki and partners within the network the City of Turku has realized many Baltic Sea themed projects, seminars and working meetings. It has streamlined its internal operations, involved new departments in operations and steered towards a holistic view of water protection.

In addition to developing cooperation and best practice sharing, many concrete actions regarding storm waters, waste waters, farming and harbour operations have been taken in Turku. Wetlands, buffer strips, submerged dams have been built. Recreation grounds have been fitted with new waste water systems. During a dredging project of the River Aura, 88 000 m³ of contaminated dredging spoils were processed and placed into harbour basin.

As a part of its commitment the City of Turku has supported the establishment and operations of the Protection Fund for the Archipelago Sea. The Fund receives donations from private persons, associations and companies and grants them to concrete water protection projects. During its first six years of operation, the Fund has already financed some 30 projects.

In the future, in addition to already started processes, efforts will be directed to combatting harmful substances, marine litter and noise, supporting provincial marine spatial planning and to offering citizens more possibilities to participate – for example in annual beach cleaning events. The City of Turku will also develop its public feedback service in terms of coastal and water observations. The Baltic Sea Challenge initiative will also be presented by the Turku Centre in St Petersburg and Turku EU Office in Brussels in order to find new ways of cooperation and possible partners.

Water protection work does not stop at the shoreline. The Baltic Sea Challenge stresses the importance of rivers and inland actions, and the role of the catchment area. Local actors in the Baltic Sea region have a great responsibility and possibility in making sure their water system is both ecologically healthy and clean and sparkly for us to enjoy! Benefits of protection work are not always countable but they are indisputable – nature is an invaluable factor in our well-being and industries.

Invitation to renew

As a form of activity, the Baltic Sea Challenge is unique. Its core is formed by concrete actions to protect the waters, taken at a local level and in the organisations' own operations. A great number of those that have joined the network also have their own Baltic Sea Action Plans.

The Cities of Helsinki and Turku published their updated joint Baltic Sea Action Plan in January 2014. It acts as an expression of concern of the state of the sea and a commitment to act. We hope that the Baltic Sea is a matter of the heart also for your organisation and that you want to join the Baltic Sea Challenge network and update your commitment to saving the sea. See www.balticseachallenge.net for more information. ■

SALLA-MARIA LAUTTAMÄKI

Coordinator

Baltic Sea Challenge

Executive Manager

Protection Fund for the Archipelago Sea

Centrum Balticum

Finland

KARI LIUHTO

Build common strategies to avoid common tragedies

Expert article • 1594

Good neighbours communicate, co-operate, and even plan their future activities together. The strategies employed by neighbouring regions as tools for planning and shaping the future should therefore be in close dialogue with each other. The deterioration of EU-Russia relations due to the Crimean conflict emphasises the need to improve collaboration at the regional level. There is an urgent need for the EU's Baltic Sea Region strategy and Russia's North-West strategy to communicate and co-operate even more vigorously than before, and for national strategies and programmes on the Arctic region to also be brought to this dialogue.

The Centrum Balticum Foundation (CBF), Finland's BSR think-tank, will contribute to this dialogue by dedicating the national Baltic Sea Forum 2014 to the integration of the EU's strategy for the Baltic Sea region, Russia's strategy for North-West Russia and various national agendas related to Arctic regions. The national Baltic Sea Forum will be organised on 2 June 2014 as a part of the Baltic Sea Days in Turku. For more information, please contact Hanna Ekman, Development Director of the Centrum Balticum Foundation (www.centrumbalticum.org).

In addition, the Centrum Balticum Foundation has created a database, Domus Baltica, to support the aforementioned process by providing access to material that fosters communication and co-operation between these three regional strategies. I warmly encourage researchers and BSR experts to contribute to supporting the database by sending us their reports, articles and presentations in Finnish, English or Russian.

We are also looking to publish unpublished policy-oriented articles in our BSR Policy Briefing series. A growing number of ministers, MPs, ambassadors, leading policy-makers and academics have accepted our invitation, and their contributions will feature in the autumn editions of BSR Policy Briefing.

Last but not least, we will be hosting for the second time the national BSR Arena for researchers on the 25th of November at the Forum Marinum, Finland's national maritime museum. We expect that Finland's leading BSR researchers will get together to shape the future of the region. In this event, the Centrum Balticum Award for the most promising BSR researcher will be granted.

I use this platform to welcome you to Turku, Finland's Baltic Sea Capitol. ■

**KARI LIUHTO**Director
Centrum Balticum FoundationDirector
Pan-European InstituteProfessor
Turku School of Economics
University of Turku
Finland

Pan-European Institute

BALTIC RIM ECONOMIES

To receive a free copy,
register at www.utu.fi/pei



BALTIC RIM ECONOMIES

Pan-European Institute



ULKOASIAINMINISTERIÖ
UTRIKESMINISTERIET



JOHN NURMISEN SÄÄTIÖ
JOHN NURMINEN FOUNDATION



Co-funded by the Baltic Development Forum,
the Centrum Balticum Foundation,
the City of Turku, the John Nurminen Foundation,
the Ministry for Foreign Affairs of Finland
and the Turku Chamber of Commerce



Turun yliopisto
University of Turku

Turun kauppakorkeakoulu • Turku School of Economics