

## Circular economy's priority in the 10th EUSBSR Forum

Eugene Eteris, European Studies Faculty, RSU, BC International Editor, specially from Gdansk, 15.06.2019.



**The EU's "macro-regional" cooperation "unites" regional authorities in quicker and efficient solution of local issues having "European dimension". The EU strategy for the states around the Baltic Sea area was the first one adopted a decade ago. The jubilee's Forum motto: "reduce, reuse and rethink" provided a platform for discussions on present and perspective regional authorities' planning on sustainable and circular economy issues.**



During the last decade the macro-regional concept proved its deliverance: during last decade three other strategies were adopted for the Danube, Adriatic-Ionian and Alpine regions (during 2011-15); all four strategies also include non-EU countries. The EU strategy for the Baltic Sea region (EUSBSR) has become a valuable opportunity for the states' regional/local communities to resolve some issues of common interest through so-called more "operational efficiency". The Gdansk EUSBSR Forum-2019 summed up a decade-long strategy's achievements and created a perspective vision for a long-term perspective in circular economy aspects (CE).

Our magazine has already made a short introduction to the Forum\*, this article provides some assessments of the Forum's and the sub-regional communities perspectives in the BSR countries.

\*) See: Eteris E. "Comprehensive EU strategy to target urgent regional challenges", in: [http://www.baltic-course.com/eng/modern\\_eu/?doc=149719&ins\\_print](http://www.baltic-course.com/eng/modern_eu/?doc=149719&ins_print)

### EU regional policy and macro-regional approaches

First of all, it is vital to remember that only about a decade ago politicians realised the need for an additional "tool" in the EU integration besides its "regular" socio-economic policies called macro- or sub-regional strategies, which gained momentum recently.

These strategies are in line with the EU's general policies on regional development following the EU priorities in integration: e.g. in jobs and growth, digital single market, energy and climate, industrial development, migration issues, etc. However, there are some spheres that needed additional attention and common efforts from the sub-regional communities' perspectives. The regional "influences" have grown from the lack of state governance to take a proper stand on local issues; these activities are supported by the EU institutions as well.

Thus, in one year only (2017), two pilot projects were launched to provide tailored support for regions *facing industrial transition* and help inter-regional partnerships to develop competitive European value chains. They aimed at further assistance to all European regions to invest in their niche areas of competitive strength (so-called "smart specialisation" process) and generate innovative and resilient growth needed to withstand globalization's challenges.

Second, the "additional tool" in EU's integration in the form of the EU Strategy for Baltic Sea Region, EUSBSR (as well as three other EU macro-regional strategies) have been acknowledged as vital –and strategic– impetus into the European general socio-economic integration and cohesion processes. Although these strategies do not have fixed budgets, the sub-regional cooperation is supported through various EU funds, as the regional policies are aimed at strengthening economic, social and territorial cohesion in order to *reduce disparities* between the levels of development of the various regions and the backwardness of the least favored regions, with a particular attention to rural areas and regions (art 174, EU Treaty).

Thus, to deliver on these objectives, Commission's DG Regio provides support through the "financial interventions" by the *European Regional Development Fund (ERDF)* and the *Cohesion Fund (CF)*, together with the European Structural and Investment (ESI) Funds (which include European social fund (ESF), European Agricultural Fund for Rural Development (EAFRD) and European Maritime and Fisheries Fund (EMFF)). To that end, the Treaty establishes the European Structural and Investment Funds, ESIF (Treaty, art. 175).

These "regional funding" during 2014-19 accounted for about one-third of the total EU budget, or about € 45 billion a year; for example during 2017, about 660 action plans have been adopted in the EU states.

More in the DG-Regio annual activity report for 2017 in:

[https://ec.europa.eu/info/sites/info/files/file\\_import/regio\\_aar\\_2017\\_final.pdf](https://ec.europa.eu/info/sites/info/files/file_import/regio_aar_2017_final.pdf)

Third, the need for a "macro-regional" approach stems from the need for more coordinated efforts towards common problems that could not be solved by states alone. Eight EU states around the BSR wanted their regional and local communities to be more active in resolving some urgent issues. Commissioner for the EU regional policy, Corina Crețu underlined in her video address to the forum that the EUSBSR has been a "unique framework to address common challenges" and inspired the Commission to "introduce the notion of functional areas and strengthen territorial cooperation as a cross-cutting dimension of cohesion policy".

More on the Strategy's importance in: "Better together-10 years-EU strategy for the Baltic Sea region. -Polish Ministry of Foreign Affairs publication, Warsaw, 2019. – 66 pp.

Fourth, the EUSBSR can address most urgent contemporary issues in an *expert-like manner* without administrative red tape. Thus, the present Forum-2019 has chosen the circular and sharing economy issues, which are closely linked to the UN SDGs. The forum was aimed at promoting these issues into the regional and local authorities' agendas with the corresponding changes in political economy decision-making.

### From plenary to parallel sessions

First plenary session attracted participants' attention to circular economy as a "path to wellbeing of the people in the BSR". Speakers underlined that the presently dominated model in economy (i.e. take-make-consume-dispose) is completely unsustainable; it has to be re-arranged with such new notions and concepts as *reuse, de-compose, recycle, de-consume*, etc. with additional validity of an appropriate education and training in sustainability principles.

For example, presently Latvian recycling share is the lowest among states in BSR with 39%, compared to 46% in Lithuania, 47% in Estonia and over 50% in Denmark and Sweden. Thus, both new circular economy principles and waste management are becoming highly desirable aspects in sub-regional cooperation.

Second plenary session was about a business-driven approach to circular economy in BSR: representatives from Latvia (Economic Affairs Minister, on photo in the middle), Lithuania (Vice-Minister for Economy and Innovation), Finland (Regional authority) and two from Poland (IKEA and EXPRA) underlined the fact that the BSR urgently needs a "turn-out" in eco-efficient development patterns. However, the public-private partnerships are not yet explored in circular economies, neither there is a mutually recognizable business-led investment strategy in the regional circular economies.

The third plenary session concentrated on the "demography-circularity" issues underlining inherent connections between circular economy and labour dynamics in BSR with effect on de-population, ageing and migration in BSR. Participants suggested that young generation should be trained and educated in circular economy (CE) and sustainability issues as a vital part of youth general knowledge assets.

The plenary sessions were added by about a dozen parallel ones, called seminars: from blue economy, anti-plastic strategies and eco-sharing tourism to circular aspects in cities, smart specialisation and sustainable working life, etc. It was almost impossible to take part in all of the "seminars" as they were working at the same time (!). However, I managed to take part in some: my attention attracted a seminar with the same title as the Forum's motto: reduce, reuse and rethink as a "uniting factor" in the EU macro-regions; a seminar on digital bio-economy and a seminar on so-called "cultural aspects" in CE's local solutions.

First, on the so-called three "Rs": reduce, reuse and rethink; the concept draws attention to a new (among several others) challenges in national development; for example, the circular economy (CE), in which both national and regional decision makers feel pressure from global and European sides. In the EU, CE-issues have entered a policy agenda already in 2012; the idea took shape as an EU CE action plan in 2016.

There are several "common elements" in 3Rs for all BSR states: e.g. blue-economy's aspects are becoming an important component in "green growth" due to states' maritime positions, waste management policies are having some "common denominations", etc. However, if the first two components (*reduce and reuse*) are more or less clear in formulating circular economy's strategies, the third –*rethink*– needs additional efforts in national political economy's progress. Circular economy (and more generic – sustainability), rests on a new way of "looking at the world" with the closer connections among economic, social and environmental aspects. This three-pillar model must be kept in mind in transposing CE into the sub-regional governance.

**Second seminar on digital bio-economy was devoted to a local practice in using "green" natural resources in BSR. Finish experience in sustainable forestry was inspiring as an important**

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