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# 30 YEARS OF INTEGRATION IN THE BALTIC SEA REGION: SECURITY AGAINST THE BACKGROUND OF THE CURRENT GEOPOLITICAL SITUATION

#### **Abstract**

The aim of the article is to attempt to assess the results achieved in the economic and political field from the perspective of past cooperation as well as to see whether the directions and forms of this cooperation remain adequate to the challenges expected to be faced in the near future. In the current situation, the process of sustainable development implemented, among others, through the introduction of the concept of circular economy seems to be a solution guaranteeing security in all areas as well as further development.

Keywords: security, cooperation, Baltic Sea Region (BSR), European Union (EU), sustainable development

JEL Classification Codes: F1, F3

#### Introduction

2019 is the year of several anniversaries of importance to the Baltic Sea Region. 'Round anniversaries' of this kind are a good reason not only for celebrating but also for reflecting on the past, assessing and summing up what has been done and

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achieved. They also reveal how much has changed in the area of politics and economy over the past, relatively short, time as well as how much has been attained and how far we have moved forward.

2019 marks:

- the 30<sup>th</sup> anniversary of the fall of the Berlin Wall and the commencement of the process of democratization and drive towards integration with Western economy and culture as well as the tightening of Nordic-Baltic relations;
- the 15<sup>th</sup> anniversary of the accession to the European Union of Estonia, Lithuania, Latvia and Poland;
- the 10<sup>th</sup> anniversary of the establishment of the consultative-strategic mechanism for the region, namely, the European Union Strategy for the Baltic Sea Region (EUSBSR).<sup>1</sup>

The Baltic Sea Region, with its multitude of experience, has so far been a model region and the methods and practices hitherto developed by the countries of the region in the social, economic and political field provide a source of knowledge and experience in peaceful work for stabilization and prosperity.<sup>2</sup> A dense network of links and cooperation has been developed on all levels, with various organizations of regional character (over eighty) having been established.<sup>3</sup> Cooperation in the region can be assessed as progressing efficiently and effectively and the hitherto achieved results must be deemed very good, because the region has proved capable of peacefully joining forces and developing mechanisms of regional cooperation based on the 'win-win' principle.<sup>4</sup>

What these positive changes also mean is that once certain aspects are settled, new challenges and problems appear to be faced and solved. The current global economic and political environment generates new, no less important problems which might require even greater involvement and cooperation on all levels, from international, through governmental, regional, local, to individual units. These problems are related to climate changes and all and any resultant consequences arising, affecting the economy in particular, which is largely responsible for actions being taken. The main problem has hitherto been the implementation of the process of sustainable development, which has and still is considered one of the major challenges faced by

<sup>&</sup>lt;sup>1</sup> J. Czaputowicz, C. Cretu, *Better together: 10 years of the EU Strategy for the Baltic Sea Region*, Polskie Ministerstwo Spraw Zagranicznych (Polish Ministry of Foreign Affairs), Warszawa 2019, pp. 2–3.

<sup>&</sup>lt;sup>2</sup> J. Osiński (Ed.), Administracja publiczna na progu XXI wieku. Wyzwania i oczekiwania, Oficyna Wydawnicza SGH, Warszawa 2011, p. 411.

<sup>&</sup>lt;sup>3</sup> K. Dośpiał-Borysiak, *Polityka Finlandii i Szwecji w regionie Morza Bałtyckiego*, Wydawnictwo A. Marszałek, Łódź-Toruń 2006, pp. 328–330.

<sup>&</sup>lt;sup>4</sup> I. Śmigerska-Belczak, *Instytucjonalizacja stosunków międzynarodowych w regionie Morza Bałtyckiego*, Wydawnictwo MADO, Toruń 2014.

mankind, its main aspects revolving around society, economy, and the environment. At present, the emphasis is put on the implementation of the concept of circular economy,<sup>5</sup> which is a method allowing for the attainment of sustainable development. In this concept, it is economy that is most important, but the economy dependent on a limited quantity of resources and degradation of the environment. One of the first countries to introduce the concept was Germany<sup>6</sup> (Closed Substance Cycle and Waste Management Act, 1996); the European Union introduced the Circular Economy Strategy in 2015. Given the global threats resulting from the causes and consequences of global warming as well as demographic changes, the Circular Economy Strategy-related questions constituted the main subject of the annual meeting on the European Union Strategy for the Baltic Sea Region in June 2019.<sup>7</sup>

The aim of the article is to sum up the results achieved in economic-political cooperation from the perspective of the past years as well as to see whether the directions and forms of this cooperation remain adequate to the challenges expected to be faced in the nearest future and whether the solutions adopted in the Baltic Sea Region are sufficient to ensure security and development to its inhabitants. The principal hypothesis of the article is that the political and economic initiatives and actions undertaken in the region are not sufficient to guarantee political, economic and social development in the light of the changes in progress.

### 1. What is security?

The Latin notion of security, 'securitas', indicates a negative understanding of the very term, which means as much as 'without concerns, without worries, without problems', that is the absence of danger, threats or insecurities. Like any other broad notions, security is a complex, occasionally even ambiguous term. The original etymologic meaning is the definition of security as a state and feeling of certainty, freedom from threats, fear or attack. Since the state of security is unmeasurable, the

<sup>&</sup>lt;sup>5</sup> K. Zbytniewska, M. Krzyczkowski, *Circular economy, czyli ekonomia zrównoważonego rozwoju*, https://www.euroactiv.pl/section/energia-i-srodowisko/news/circular-economy-czyli-ekonoia-zrownowazonego-rozwoju/ (retrieved: 15.06.2019).

<sup>&</sup>lt;sup>6</sup> M. Geissdoerfer, P. Savaget, N.M.P. Bocken, E.J. Hultink, *The Circular Economy – A new sustainability paradigm?*, https://www.researchgate.net/publication/311776801\_The\_Circular\_Economy\_-\_A\_new\_sustainability\_paradigm [retrieved: 15.06.2019]. In 2002, Japan introduced the Basic Law for Establishing a Recycling-Based Society, in 2009, China introduced the Circular Economy Promotion Law of the People's Republic of China.

<sup>&</sup>lt;sup>7</sup> 10th Annual Forum of the EUSBSR, https://www.balticsea-region-srategy.eu/news-room/news/591075-reuse-reduce-rethink-10<sup>th</sup>-annual-forum-of-eusbsr-focused-on-circular-economy [retrieved: 15.06.2019].

principal question in ensuring it is how it is perceived by society and state authorities. Security is a state and, simultaneously, a process of maintaining this state in everchanging geo-political conditions.

The notion of security refers to the process of satisfying the needs and interests of participants in international life. Theoretical analyses of security distinguish three approaches to it: subjective, objective and functional. The subjective criterion makes a distinction between national security and international security. According to the objective criterion, we can speak about political, military, economic, cultural, humanitarian and ecological security.<sup>9</sup>

Traditionally, security is defined as defence against threats to the territorial or political sovereignty of countries, resulting from actual or potential military aggression. Yet, in reality, security problems embrace a much broader range of issues. What should be taken into account, apart from military issues, are a number of additional questions such as economic, technological, financial, ecological, social or information factors. Individual countries, in individual periods, place an emphasis on questions depending on the current internal as well as external situation of a given country. Consequently, different policies, such as trade policy, industrial policy or environmental protection policy, are applied to ensure security.

"The security environment of today is characterised by blurring borders between its internal and external, military and non-military dimensions. Globalization and growing co-dependency often result in the unpredictability of events the scope of which is no longer limited by geographical barriers, political systems or economic systems. Threats of military character are still present. Globalisation processes, development of a multipolar political system, military threats as well as a number of challenges of an asymmetric character affect the security and stability of countries. Combined with developmental disproportions and competition between countries, they contribute to stepping up the risk of the emergence of conflicts, controversies and tensions. The threat of conflicts of regional and local character is by no means over". 10

The multidimensional character of security is well reflected in the so-called comprehensive security concept, which embraces not only the political and diplomatic dimension but also economic backwardness, trade conflicts, uncontrolled migrations, degradation of the environment or crime rate. Combined with economic and climate problems (global warming and its consequences) as well as the proliferation

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<sup>8</sup> Z. Ciekanowski, J. Nowicka, H. Wyrębek, Bezpieczeństwo państwa w obliczu współczesnych zagrożeń, Wydawnictwo UPH, Siedlce 2015, p. 15.

<sup>&</sup>lt;sup>9</sup> Z. Ciekanowski, op.cit., p. 182.

<sup>&</sup>lt;sup>10</sup> Strategia Bezpieczeństwa Narodowego Rzeczpospolitej Polskiej, https://www.bbn.gov.pl./ftp/SBN%20RP. pdf, p. 17 [retrieved: 15.06.2019].

of arms phenomena, conflicts of regional character make the latter rise to the rank of international conflicts.

The end of the competition between the United States of America and the Soviet Union 30 years ago marked the beginning of a new era in international relations. What changed was the geopolitical map of the world. Affected by the changes were particularly the small and medium-sized countries, which found themselves in a new, unstable environment. As long as the world remained bipolar, divided between two empires, the latter attempted to pursue a policy which would prevent a potential armed conflict and thus, lead to the eruption of a global war. Also, the ally countries refrained from doing anything that might provoke a reaction, dangerous in its consequences, from the other party and in this way disturb regional stability. Regional conflicts of that kind were largely solved and settled. The new challenge and threat which has now emerged are climate changes, resulting in progressing degradation of the natural environment and economic problems, growth of the world's population and migrations as well as terrorism – problems of already global scale and significance.

#### 2. Characteristics of contemporary threats

What could be observed, particularly in Europe at the end of the 20<sup>th</sup> century, is that threats changed in character. No longer were they of mostly military nature, but rather tended to be generated by unstable democracies, uncontrolled migration movements, economic instability leading to serious crises or activity of ethnic groups, all of which could potentially threaten the stability of a country. The intensity of those phenomena could give rise to severe internal conflicts and even extend over countries' borders, their settlement thus being in the interest of the neighbouring countries. What aggravated the situation even further were particular problems related to Islamic fundamentalism.

At the beginning of the 21st century, new kinds of threats to be faced by international society emerged. The most important of them are now deemed to be these related to global consequences of the global climate warming, shrinking natural resources, economic problems which combined with demographic changes and migrations can lead to open conflicts and terrorism. Given the current communication and transportation possibilities as well as advanced technologies to be potentially applied, the sources of danger and the aims of attack can be situated at a large distance from one another. Moreover, the character of the threats excludes conventional defence actions or conventional tactics, simultaneously requiring the cooperation of numerous entities and institutions. The notion of a 'security crisis' is thus

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changing, since the problem of the spread of the threat does not concern only and exclusively neighbouring countries.<sup>11</sup>

The global threats of today likely to affect everybody include also natural disasters such as earthquakes, volcanic eruptions, hurricanes and tornadoes, droughts, wildfires and floods, as well as civilisation and man-activity generated risks. The latter include, among others, transportation catastrophes (in road, rail, sea and air transport), industrial catastrophes (in mining and construction, machine and infrastructure facilities breakdowns), chemical catastrophes (linked in particular to the use of nuclear and mass destruction weapons), civilisation diseases, as well as acts of terrorism, organized crime, fast growth of drug addiction and violence. The aggravation and increase in the frequency of these phenomena generate an ever-growing threat to people and the natural environment making effective monitoring and counteracting the absolutely necessary priority for the functioning of all and any countries.

Both natural threats, the number and scale of which keeps growing as a result of climate changes, and civilisation threats, in particular terrorism, are a source of crisis situations. The phenomena referred to above are becoming more and more common in the world of today. There is no doubt that local society should be made not only aware of their existence, but also sensitive to their occurrence so that they will understand their significance as well as the significance of all and any efforts and ventures related to their country's capability to defend itself as well as to ensure the security of the neighbourhood.<sup>12</sup>

### 3. Security strategies

"The security of the national economy is threatened when it is not able to develop independently, i.e. generate profits and savings to be allocated for investments or when external threats lead to disturbances in its functioning, which will endanger the economic status of citizens and enterprises and threaten the physical functioning of the state as an economic entity". As a result of the above, countries develop security strategies as well as build alliances making their implementation possible.

Events of September 2001 New York, March 2003 (Madrid), July 2005 London, a series of attacks in France (2015, 2017, 2018) or in Germany.

<sup>12</sup> Charakterystyka współczesnych zagrożeń człowieka, http://administracja.sgh.waw.pl/pl/SSPOiOIN/oib/Strony/charakterystyka zagrozen.aspx (retrieved in August 2019)

<sup>&</sup>lt;sup>13</sup> E. Haliżak, Ekonomiczny wymiar bezpieczeństwa narodowego i międzynarodowego, [in:] D.B. Bobrow, E. Haliżak, R. Zięba (Eds.), Bezpieczeństwo narodowe i międzynarodowe na schyłku XX wieku, Warszawa 1997, p. 78.

The necessity of guaranteeing security to the Polish nation is declared in Article 5 of the Constitution of the Republic of Poland of 2 April 1997 and its implementation is guaranteed by the *Strategy of National Security of the RP*. Among the many goals, the Strategy emphasises the need to ensure security within international structures by building the military potential as well as by ensuring economic, energy, cyber, climate, food and social security, as well as the question of the potential of the human and demographic capital (ageing of the society). <sup>14</sup> What is of importance are also the actions of the Polish state for the benefit of international security, also away from the nearest regions, due to omnipresent globalization as well as Poland's numerous links with international structures such as the European Union, NATO and the UN. In light of the above, Poland gets actively involved in international structures, not only in actions of regional but also global character.

The European Security Strategy was approved by the Council of Europe in December 2003 and implemented in 2004, <sup>15</sup> and after the accession of the Baltic countries and Poland to the European Union in 2004, the European Defence Agency was created, which became the instrument ensuring that security is a standard. <sup>16</sup> Among the numerous questions addressed in the strategy, those listed as the most important include terrorism, the proliferation of mass destruction weapons, regional conflicts, poor governments leading to the disintegration of the state, emergence of organized crime. Other threats specified include epidemics (including AIDS), poverty, economic, political problems and military conflicts, as well as questions of ecological security related to global warming, water shortages or increasing demand for energy. The main aim of the strategy is to strive for ensuring the feeling of security, economic stability through the introduction of circular economy, <sup>17</sup> as well as act globally towards a peaceful solution of conflicts and problems in the world.

<sup>14</sup> Strategia bezpieczeństwa, op.cit.

<sup>&</sup>lt;sup>15</sup> Europejska Strategia Bezpieczeństwa, https://www.msz.gov.pl/pl/polityka\_zagraniczna/polityka\_bezpieczenstwa/europejska\_polityka\_bezpieczenstwa\_i\_obronnyesdp/europejska\_strategia\_bezpieczenstwa/[retrieved: 15.06.2019].

<sup>&</sup>lt;sup>16</sup> EU Defence cooperation has expanded, https://eeas.europa.eu/topics/common-foreign-security-polocy-cfsp/64664/eu-defence-cooperation-has-expanded-never-mgherini-says-eda%E2%80%99s-15th anniversary\_en, [retrieved: 15.06.2019], statement by F. Mogherini, EU High Commissioner and Head of the Agency.

In effect, the Circular Economy Strategy packet specifies five priority areas requiring particular attention, namely, man-made fibres, food wastes, critical raw materials, construction and demolition wastes, biomass and bioproducts. The Circular Economy Strategy of the European Union included four legislative motions changing the following legal acts: framework directive 2008/98/WE on wastes; directive 1999/31/WE on the storage of wastes; directive 94/62/WE on packaging materials and packaging wastes; directive 2000/53/EC on vehicles withdrawn from exploitation, directive 2006/66/WE on power cells and batteries as well as used power cells and batteries and directive 2012/19. EU on electrical and electronic equipment (WEEE).

The National Security Strategy of the USA of 2017<sup>18</sup> places the main emphasis (apart from obvious things, such as protection of American citizens, American values and promotion of prosperity), on the protection of world peace by strengthening military forces, nuclear and cyber protection, secret service and diplomacy, as well as economic cooperation with individual regions of the world, in compliance with President Donald Trump's motto 'America first'. Previous strategies also addressed terrorism-related questions, which have now moved to a further plan.

The security strategies of individual countries and international structures indicated similar problems and threats which should be counteracted. Listed among common unfavourable phenomena are economic problems related, among others, to climate changes, energy problems as well as questions of terrorism and arms proliferation.

Indicated as one of the ways of solving threat-related problems is the concept of circular economy. The model referred to is based on the assumption that the value of products, materials and resources is to be maintained in the economy as long as possible so as to reduce the production of waste to a minimum. Under this concept, raw materials are repeatedly used, reintroduced into circulation, not infrequently passing from one industrial branch to another. The Circular Economy Strategy is an expression of the ecological care for the depletion or even exhaustion of resources, an attempt to hamper excessive exploitation of our planet as well as to reduce the volume of waste littering and flooding the planet. In December 2015, the European Commission announced a package of circular economy proposals, which is intended to reconcile environmental and business interests, as well as to use all and any available instruments to fully implement the new principles of ecological and raw material policy.<sup>19</sup>

## 4. Threats in the Region of the Baltic Sea

What does it mean for Europe and the Baltic Sea Region? There are three aspects of security currently discussed in the Baltic Sea Region. The first of them is civil security, which covers broadly understood social questions, starting from corruption, through migration, to problems of prosperity or public health. The second aspect concerns economic security, which requires immediate actions due to the competitiveness of other European regions, as well as globalization processes affecting,

National Security Strategy of the United States of America, https://www.whitehousde.gove/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf [retrieved: 15.06.2019]

<sup>19</sup> K. Zbytniewska, M. Krzyczakowski, Circular economy, op.cit.

among others, trade and technology. The third security area is the protection of the natural environment where cooperation has been the longest and best developed in the region. Due to the presence of external EU borders (mainly with Russia, but also with Ukraine and Belarus), there are also questions of military security, terrorism, presently taken care of within the framework of NATO.

Bearing in mind all the areas referred to above, it should be pointed out that cooperation in the region has developed and intensified significantly over the past 15 years. All the administrative levels, having in mind common prosperity, have joined forces and efforts aimed at building a better future. The initial declarations of proenvironment organizations of the 'Common Baltic Sea' have become a joint vision shared by all the participating entities.

The main implication for the Baltic Sea Region resulting from the European Security Strategy involves counteracting threats such as terrorism, proliferation of mass destruction weapons, regional conflicts, collapse of countries or organized crime, <sup>20</sup> as well as questions related to the protection of the common waters of the Baltic Sea, which plays a major role in the economy, cooperation with Russia or questions concerning circular economy.

In June 2019, the European Commission approved the New Strategic Agenda for the years 2019–2024, which specifies how the European Union is to promote the interests of its inhabitants and independence, develop a strong economic basis, build a climatically neutral Europe and strengthen its role in the fast-changing world.<sup>21</sup> The Agenda emphasizes the importance of multilateralism as the driving force. The EU should take advantage of its influences so as to lead reaction to global challenges, indicating the way to fight climate changes, promoting sustainable development and implementing Agenda 2030, as well as cooperating with partner countries in the field of migration. The EU should work for global peace and stability, as well as promote democracy and human rights. In the current situation, China may pose a problem as this country invests in sensitive technological sectors, applies dishonest trade practices, has taken over a large part of production and constitutes a threat in the field of information technology as well as favours cybercrime, while the growth of its population is likely to lead to economic disturbances, generating growth of unemployment worldwide. Furthermore, the instability of the political and economic situation in Africa and in the Middle East, also linked to migration, poses a challenge in the area of security.

<sup>&</sup>lt;sup>20</sup> European Strategy, op.cit.

<sup>&</sup>lt;sup>21</sup> New Strategic Agenda: EU to lead the response to global challenge, https://eeas.europa.eu/topics/common-foreign-security-policy-cfsp/64480/new -strategic-agenda-eu-lead-response-global-challenges\_en [retrieved: 15.06.2019].

#### 5. Regional strategies: an attempt to solve problems

"It might seem that the role of the Baltic Sea Region in coping with global challenges linked to climate changes, the disintegration of ecosystems and unsustainable utilization of resources is insignificant, almost immaterial. However, due to increased cooperation and utilization of the existing potential, the countries of the Baltic Sea Region can become leaders in the transformation to circular economy. Courage and vision will pay – not only in purely economic categories. The time for action is now – and there is no time to waste". 22

The European Union Strategy for the Baltic Sea Region (EUSBSR) was established 10 years ago, in 2009, and was the first regional strategy in the European Union the aim of which was to provide better management of resources and better coordination of actions intended to improve the prosperity of the region. Since that time, the strategy has been systematically implemented and regularly improved in response to the current needs and trends in the global economy and politics.<sup>23</sup> The strategy has proved a success and come to serve as a model for other EU regional strategies which followed in its footsteps.<sup>24</sup>

The three main goals of the Strategy are to Save the Sea, Increase Prosperity and Connect the Region, i.e. provide better infrastructural connections.<sup>25</sup> What is important for the goals to be attained are:

- introduction of circular economy as a horizontal action which would allow channelling financing to the projects which can benefit numerous policy areas;
- creation of a regular forum on circular economy for RMB, which would favour the development of the network and make spreading the best practices possible;
- establishment of a working group for the circular economy in the Baltic Sea Region, monitoring of advances, exchange of experience and discussion of obstacles to solving problems connected to the implementation of the circular economy policy, as well as ensuring a regular dialogue with national and EU decision-makers;
- release of additional financing for circular economy projects so as to satisfy the requirement of substantial investments of productivity higher than at present;

<sup>&</sup>lt;sup>22</sup> A. Czerniak, P. Wiejski, *No time to waste. Unlocking the circular potential of the Baltic Sea Region*, Pomorskie Voivodeship, Gdańsk 2019, p. 72.

<sup>&</sup>lt;sup>23</sup> EUSBSR in a nutshell, https://www. Balticsea-region-strategy.eu/about [retrieved: 15.06.2019].

<sup>&</sup>lt;sup>24</sup> J. Czaputowicz, C. Cretu, *Better together*, op.cit., p. 14.

The Strategy has three goals and about a dozen partial objectives, 13 policy areas (PA), 4 horizontal actions (HA), 77 finished projects and 94 projects in progress.

identification of sectors of a potential sufficient for the Baltic Sea Region to gain
a competitive advantage, such as blue economy, sustainable tourism or innovations in sea transport, better involvement of stakeholders, support for business
allies, consolidation of management with the purpose of implementing circular
policies in the macro-region.<sup>26</sup>

On 12–13 June 2019, the 10<sup>th</sup> annual forum for the European Union Strategy for the Baltic Sea Region was held. The main topic was circular economy: how the latter can solve problems related to demographic changes and changes of the natural environment. The working title was: 'Reuse, reduce, rethink.'<sup>27</sup>

Plenary sessions were devoted to discussion on circular economy from the point of view of environmental, business and demographic changes. During the first plenary session, 'Taking the round way to prosperity in the Baltic Sea region,' the participants in the panel discussed whether the EUSBSR can be an example for other regions as regards the implementation of circular economy. The second plenary session, 'Business approach to circular economy in the Baltic Sea Region,' revolved around the question of using the EUSBSR for increasing circular economy-related investments in the region and ways of improving cooperation between the public and the private sectors. 'Demography and market fluctuations in the Baltic Sea Region: co-dependent or separate?' was the title of the third plenary session, which concerned questions related to the ageing population, migration and HR mobility, as well as the way in which circular economy can constitute a response to the challenges involved.

Apart from globalization and economic integration within the framework of the European Union, the countries of the Baltic Sea Region are also affected by global trends, although in different proportions. One of such trends is the growing importance of services in the economy. Another trend is digitization, in which Nordic countries and Estonia are particularly advanced. The growing use of ICT in all sectors of the economy is necessary in order to make it possible to depart from the linear economy and pass to the circular economy. Relevant circular economy business models are made available through digital infrastructure. What is more, the evolution of technologies based on blockchain is most likely to facilitate fast and cheap payments of the pay-per-use type, which will allow for increasing the availability and contribute to more efficient consumption thanks to collective purchases of goods, services and materials (and also energy). This tendency has numerous positive external effects as

<sup>&</sup>lt;sup>26</sup> A. Czerniak, P. Wiejski (Eds), No time, op.cit., p. 6.

<sup>&</sup>lt;sup>27</sup> 'Reuse, reduce, rethink' – 10th Annual Forum of EUSBSR focused on circular economy, https://www.balticsea-region-strategy.eu/news-room/news/591075-reuse-reduce-rethink-10<sup>th</sup>-1nnual-forum-of-eusbsr-focused-on-circular-economy [retrieved: 15.06.2019].

<sup>&</sup>lt;sup>28</sup> A. Czerniak, P. Wiejski (Eds), No time, op.cit., p.59.

it decreases the demand for durable goods, materials used in their production and costs of their utilization. Digitization, and in particular revolution in the area of artificial intelligence, increases the vitality and life of capital goods, especially in production and construction. New data-analysing equipment can help foresee which part of a machine is likely to break down in the nearest future or whether it should be replaced or repaired to minimize the risk of serious damage. Thirdly, new, more advanced and specialized equipment which can communicate with other equipment can increase the effectiveness of the utilization of materials and minimize production waste.

The third trend which is likely to affect the functioning of the economies of the Baltic Sea Region countries is the shortage of resources. In the developed countries, the demand for resources - from non-renewable such as fossil fuels and minerals to those obtained from the biosphere such as fields for cultivation, fisheries and forests - keeps growing at an unbalanced pace. Paradoxically, this creates good conditions for transition to a more circular economy. As resources become more expensive and less easily available, decision-makers will be encouraged if not compelled, to decrease dependence on them, increasing the material efficiency of their national economies. This will also affect enterprises, forcing them to adopt circular business models. Finally, there is the climate change, an uneconomic trend affecting production, in particular in agriculture. Global warming will increase shortages of resources, decrease the surface of land available for cultivation and increase the demand for certain products. It will finally lead to a situation in which decision-makers and companies will have no choice but to adopt the rules of circular economy.<sup>29</sup> Yet another effect will be a change in the diet (due to shortage of meat)<sup>30</sup> and possibly problems generated by the transition to digital economy<sup>31</sup> which can, by facilitating, shortening and changing certain processes, lead to changes in the functioning of the society (e.g. changes in the professional structure: e-commerce vs. traditional shops and shopping assistants, product recycling).

**Elastic military security.** New threats are important enough to contribute to strengthening military cooperation between EU countries.<sup>32</sup> The combination of Brexit, consolidated French-German partnership and the ever more transactional approach of President D. Trump to the European Union, have recently led to the

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<sup>&</sup>lt;sup>29</sup> A. Czerniak, P. Wiejski (Eds), No time, op.cit., p. 65.

<sup>&</sup>lt;sup>30</sup> L. Kirk, *New Nordic Trend: shifting towards a plant-based diet*, https://eurobserver.com/nordic/142318/fbclid=IwAR1VBHTKUzJHTA3tHgMrWIvt7J-KfrP6cuPSnaAP3-OonN5sy4v-2zhyLdU [retrieved: 15.06.2019].

<sup>&</sup>lt;sup>31</sup> J. Ahlgren, Circular Baltic 2030 – Circular Economy in the Baltic Sea Region and Beyond, Global Utmaning for Interreg Baltic Sea Region Programme and BSSSC, Stockholm 2019, p. 5.

<sup>&</sup>lt;sup>32</sup> P. Carlsen (ed.), 2018 Political State of the Region Report. Flexible Europe – what does it mean to the Baltic Sea Region?, Baltic Development Forum, Copenhagen 2018.

rapid and sharp growth of European cooperation in the area of security and defence. This is particularly important in the case of new forms of cooperation. For instance, in 2017, permanent structural cooperation (PESCO),<sup>33</sup> the European Defence Fund (EDF) and the coordinated defence survey (CARD) were initiated. The initiatives are intended, first and foremost, to strengthen the military capabilities of member states and to facilitate joint development and orders for defence equipment.<sup>34</sup> The lack of cohesion between the member states as regards what the EU should do in the area of security and defence can be largely attributed to diverse strategic cultures. As for the assessment of threats, EU member states differ primarily in their perception of where the greatest threat comes from and transatlantic links and, consequently, EU strategic needs.

The countries of the Baltic Sea Region represent a relatively high level of cohesion in terms of strategic cultures. The majority of the member states of the region perceive Russia as the largest strategic threat, although to a different degree. As for the preferred forms of cooperation, there is broad agreement among the Baltic Sea Region countries that multilateralism is preferable to minilateralism, and the new defence agreement for the years 2018–2023 puts a greater emphasis on the Baltic Sea Region so as to make the new initiative even more integrational in character. Simultaneously, NATO will remain the primary pillar of European security and any initiative which could infringe the security guarantees specified in its Art. 5 is treated with great concern.

#### Conclusion

The past 30 years have shown how much can change within a short time. The changes which took place were favourable for the Baltic Sea Region: the end of the Cold War and division, the democratization of the countries of the former Eastern Bloc, and their fast economic growth, tightening of relations and peaceful cooperation in the region, free flow of goods and people. Thanks to intensive mutual contacts, the Baltic Sea Region has become stronger in terms of economic development, standard of living and administrative function, and this cooperation is absolutely necessary to increase the stability and security of the inhabitants of the region. The

<sup>&</sup>lt;sup>33</sup> PESCO: 23 państwa członkowskie podpisują modyfikację w sprawie stałej współpracy strukturalnej w zakresie obrony, https://www.consilium.europa.eu/pl/press/press-release/2017/11/13/defence-cooperation-23-member-states-sigh-joint-notificaion-on-pesco/ [retrieved: 15.06.2019].

<sup>&</sup>lt;sup>34</sup> The only exception is PESCO where Denmark (due to its resignation from the CSDP), Malta (practically no army) and Great Britain (Brexit) decided not to be part of the group.

Baltic Sea Region has a population of over 32 bn inhabitants and is the fifth largest region in Europe in economic terms,<sup>35</sup> being characterized by a low level of corruption and a high-security coefficient.

Yet, after that period of growth and optimism, it may appear that there are hard times ahead of us due to the problems of global character, which we have no direct influence on, as they concern remote regions. These problems include: global economy, demographic changes<sup>36</sup> and climate changes (generated by this economy) and causing fast depletion of natural resources, environmental pollution, diseases, etc., all which bring with them a potential threat of a military conflict on a global scale.

The concept of sustainable development, commonly known thanks to Agenda 21, has long been implemented in the region. Moreover, questions related to the protection of the waters of the common sea basin had united the countries of the region yet before the end of the Cold War. On the other hand, the concept of circular economy, which emphasizes yet more explicitly the significance of the natural environment and limited resources, is relatively new. In the European Union, this strategy has been in existence since 2015. In the region, only Germany and Finland have them included in their legislation, while in the remaining countries the information and awareness-raising campaign is yet in progress. Many countries are already in the process of implementing the recommendations, but not all can afford them: e.g. the majority of the countries (with the exception of Poland, Russia and Belarus) have resigned from the use of coal or are going to do it in the nearest future.<sup>37</sup>

Listed among the priority methods of achieving security are still:<sup>38</sup> national policy measures taken by individual economies of the Baltic Sea Region to cope with challenges and opportunities as well as to raise competitiveness, actions aimed at further consolidation of regional integration in the economies of the countries of the region and development of a common voice of the Baltic Sea Region in questions of regional and global policy, so as to shape the external environment. These priorities have remained unchanged for years and serve the creation of the most competitive economy and the best conditions of life for the inhabitants of the region.<sup>39</sup>

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<sup>&</sup>lt;sup>35</sup> J. Grzela, *Bałtyk jako spoiwo kontaktów krajów nordyckich i bałtyckich*, [in:] Gdańskie Studia Międzynarodowe, No. 1–2/2015, Wydawnictwo UG, Gdańsk 2015, p. 75.

<sup>&</sup>lt;sup>36</sup> S. Szukalski, *Gospodarka USA wobec UE i krajów BRÍC*, [in:] *Stany Zjednoczone: obrona hegemonii w XXI wieku*, K.A. Kłosiński (Ed.), KUL Publishing House, Lublin 2009, pp. 103–104. It is estimated that Europe will continue to age, the Baltic Sea Region included, the average age will increase to 49 years in the year 2050 in comparison to 36 years in 2000. Simultaneously, there will be a population growth from 8 to 10 billion in 2050, the latter concerning Asia and Africa, while in Europe the population will decrease.

<sup>&</sup>lt;sup>37</sup> A. Czerniak, P. Wiejski (Eds.), No time to waste, op.cit., p. 34.

<sup>&</sup>lt;sup>38</sup> D. Skilling, *The Baltic Sea Region Economies: Progress & Priorities – A 20 Years perspective*, Baltic Development Forum, Copenhagen 2018.

<sup>&</sup>lt;sup>39</sup> Paraphrasing President D. Trump (America First): 'Baltic Sea Region first'.

Regional and local authorities in the Baltic Sea Region are facing a difficult but promising and interesting time for both decision-makers and citizens. The question is whether regional politicians are able to introduce changes which will allow them to cope with the challenges of today?<sup>40</sup> Instead of a global monitoring network, in which it is international institutions that lead the world, we seem to be moving towards a world in which national states are guided by local regions of economic and cultural control. "What lies at the core of multipolarity is not simply the fact that the poles are large and powerful but also that they develop separate, culturally coherent ways of doing different things. This process will be dominated by at least three large regions: America, the European Union and China".<sup>41</sup>

The Baltic Sea Region, which has so far been a model region for many countries and other regions, may in the present situation have a more difficult role as a leader because changes taking place in the world of today are much more diversified and concern problems other than those present in the Baltic Sea Region. Simultaneously, there are countless examples of excellent cooperation and development of numerous ready-to-adopt solutions in circular economy. The key question is whether the actions taken in the region are sufficient to ensure its stability, security and development in the years to come? The region seems to be coping quite well with these problems and be prepared for the challenges to come but in itself and by itself it cannot represent a power strong enough to guarantee security, political, economic and social development in the world of today.

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<sup>&</sup>lt;sup>40</sup> The recent Gdańsk forum on the EUSBSR seems to indicate a lack of political readiness on the part of heads of states and governments to get involved in macroregional cooperation, which is of significance, but in light of the present day threats may prove insufficient and inadequate to ensure the security of citizens.

<sup>&</sup>lt;sup>41</sup> M. Colagrossi, *Is globalization doomed? Economist Michael O'Sullivan believes so*, https://bigthink.com/politics-current-affairs/globalizaation-dead [retrieved: 03.07.2019].

<sup>&</sup>lt;sup>42</sup> J. Ahlgren, Circular Baltic 2030, op.cit., pp. 18-77.

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