



## Resolution 995 (1993)<sup>1</sup>

# Economic renaissance of the Baltic Sea Region

Parliamentary Assembly

1. The Baltic Sea region - comprising several Nordic countries, the Baltic states, Poland and parts of Russia and Germany - is free again to develop in unison, following the end of the cold war and the democratisation of central and eastern Europe. In this sense, the region is a test case for European east-west co-operation as a whole, proving the willingness to achieve greater integration.
2. The Assembly's Colloquy on Economic Renaissance of the Baltic Sea Region, held in Stockholm and Tallinn in March 1992, gave political impetus to this process, building as it did on similar initiatives taken by the Nordic Council, the foreign ministers of the region who in March 1992 created a Council of Baltic Sea states, and international institutions such as the European Community, the Organisation for Economic Co-operation and Development (OECD) and the European Bank for Reconstruction and Development (EBRD). The vitality of the region, and its history, are also demonstrated in the Council of Europe Hansa Cities Route.
3. The potential of the region is undeniable : a linking Baltic Sea, a qualified work force, rich natural resources and proximity to central European markets. However, the legacy of communism also presents major challenges, on the Baltic's eastern and southern shores in particular - in the form of economic underdevelopment, environmental damage, a still imperfect and incomplete legislative and administrative framework, and absence of a transport and communications infrastructure.
4. Solving these problems through international co-operation is important to the prosperity not only of northern Europe, but to a large extent of Europe as a whole, for the future of democratic institutions and economic development are closely intertwined in the former communist countries.
5. The Assembly in consequence calls on the governments and parliaments of Council of Europe member states :
  - 5.1. to extend any conceptual and material assistance possible to the former communist countries in the Baltic Sea region ;
  - 5.2. to ensure favourable trade conditions for these countries through such bodies as the European Community, European Free Trade Association (EFTA) and the General Agreement on Tariffs and Trade (GATT) - by opening markets for their exports, including agricultural products, by allowing them to protect temporarily their nascent industries and to utilise their comparative advantages, in particular low labour costs ;
  - 5.3. to consider providing within the Council of Europe a framework for pan-European cooperation on economic issues - including transport, communications and infrastructure - with the participation of the European Community, EFTA, the United Nations Economic Commission for Europe, EBRD and other relevant bodies. Such a framework could also facilitate co-operation and co-ordination of economic policy among the growing number of newly democratised countries not belonging to the European Community or EFTA.

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1. Assembly debate on 4 February 1993 (27th Sitting) (see [Doc. 6734](#), report of the Committee on Economic Affairs and Development, Rapporteur : Mrs von Teichman). Text adopted by the Assembly on 4 February 1993 (27th Sitting).



6. Furthermore, the Assembly calls on the governments and parliaments in the Baltic Sea region :
  - 6.1. to pursue and intensify the promising initiatives they have taken, inter alia, through the creation of the Baltic Assembly, the Council of Baltic Sea States or in the framework of the Nordic Council ;
  - 6.2. to stimulate contacts at all levels - such as the exchange of students and faculty professors between universities and other educational institutions, between companies, in particular through the newly established Baltic Chambers Organisation, and in the cultural field through bodies such as the Ars Baltica ;
  - 6.3. to give special priority to telecommunications and to the establishment of a modern transport infrastructure by sea, by rail and road - including the Via Baltica project by which Germany, Poland, Russia (St Petersburg and Kaliningrad) and the Baltic states would be linked ;
  - 6.4. to tackle urgently environmental problems, in particular by ensuring the safety of Soviet-built nuclear plants in the former centrally-planned economies, to help implement measures for energy conservation, to emphasise ecology-oriented forms of energy generation, and to establish a cross-border network of energy exchange permitting a more efficient use of this resource ;
  - 6.5. to realise the enormous tourism potential of the region, not only through measures such as the above, but also through investment, for example in accommodation facilities and the restoration and preservation of the cultural heritage, while taking into account the impact of tourism on the environment ;
  - 6.6. to initiate a reform of the health-care system in the former communist countries of the Baltic Sea region, thereby enhancing the quality of life of their populations ;
  - 6.7. to pay particular attention to the unique and difficult situation of the Kaliningrad enclave - cut off from the rest of Russia and with an economically insufficient hinterland - so that it may overcome these handicaps and enjoy full economic integration with neighbouring countries.
7. Finally, the Assembly encourages the former communist countries in the region :
  - 7.1. to pursue steadfastly their efforts to reform their economies, paying particular attention to the need to enact clear legislation governing business, including foreign investment, a fair and authoritative juridical system, a privatisation programme which both benefits the people and ensures the competitiveness of firms, and the formation of a functioning banking and financial sector, fundamental to any sustained economic development ;
  - 7.2. to realise fully the trade and development potential of all their neighbours, including former communist ones, and to seek inspiration in so doing from successful co-operation efforts in Europe in the past, such as the Benelux Union or that among the Nordic countries ;
  - 7.3. to continue the privatisation of their agriculture, not least by supporting co-operative initiatives ;
  - 7.4. to promote the introduction of environmentally-friendly methods of production in agriculture and industry ;
  - 7.5. to maintain and strengthen pluralist society and democracy, and to ensure protection of minorities, in conformity with Council of Europe standards and international conventions.