

Chapter 7

Energy and Maritime Clusters in the Eastern Baltic Sea Region: Competitiveness through International Inter- Cluster Cooperation?

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ABSTRACT

This chapter analyses the preconditions for increasing cross-border inter-cluster cooperation in the maritime and energy sectors in the Eastern Baltic Sea region (i.e. Estonia, Finland, Latvia, Lithuania, and North-West Russia). The chapter describes the recent developments and cooperative connections in both sectors, after which it is concluded that room for increased cooperation exists, particularly in terms of green solutions. Such international cooperation still remains modest due to detrimental factors, national state interests being the most evident in both the sectors. Therefore, political support is of great importance in increasing inter-cluster cooperation, which can result in innovative discoveries, new business networks, and increased competitiveness to the region's key industries.

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INTRODUCTION

Largely due to depleting conventional energy resources, increasing energy consumption and global warming, there are rapidly growing demands for green solutions, such as environmentally-friendly fuels and efficient energy use. Europe is currently seen as the location with the greatest demand and potential for cleantech products and services (GrantThornton, 2012) while it has to look for innovative solutions to guarantee sustainable competitiveness. The need to push forward the development of cleantech solutions has been well acknowledged at the political level (e.g. Europe 2020 Strategy) and political regulations are needed to implement such strategies.

One of the most interesting examples is the forthcoming sulphur regulation in the Baltic Sea region (BSR), requiring rapid actions not only from the maritime sector but also from the energy sector providing the fuels and infrastructure. The maritime sector, including operations from shipbuilding to shipping and ports, is of great importance to the economy but highly polluting and requires significant investments in developing environmentally-friendly and energy efficient technologies. However, while the BSR is one of the first areas to reduce sulphur emissions, this necessary development might turn out to be a new source of competitive advantage for the maritime industry, which is currently under pressure from fierce price competition from the booming Asian shipyards.

In the energy sector, the diversification of sources as well as increasing efficiency and environmentally sustainable energy production are important means in striving towards a nationally self-sufficient and uninterrupted energy supply. Energy plays a vital role in countries' development and is therefore, strongly linked to foreign and security policies in addition to economic policies. Furthermore, due to its strategic role, the energy sector is usually characterised by a rather strong state involvement. In the BSR, Russia controls the energy supply to neighbouring countries, which encourages them to seek alternative sources of energy – preferably through green solutions. Namely, by 2020, the EU aims at reducing greenhouse gas emissions by at least 20% compared to 1990 levels, increasing the share of renewable energy sources in final energy consumption to 20% and increasing energy efficiency by 20% (European Union, 2010).

While state interests in developing the maritime sector as well as the energy sector are currently relatively high in the Baltic Sea region countries, potential for international cooperation has been acknowledged as well – particularly in the maritime sector where the relatively small clusters could benefit from a multinational pool of complementary resources and expertise in competing against the gigantic Asian maritime clusters (Laaksonen, Mäkinen, & Liuhto, 2013). However, international cooperation within these sectors is still relatively low. Attempts to increase such cooperation include various projects (e.g. MaritimeHubs, Maritime Knowledge Hub,

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