

HSE expanding operations in the Eastern Baltic Sea Region

By Eero O. Kasanen

The Baltic Sea Region economic area has been reintegrating ever since the fall of the Iron Curtain. The era of globalization accelerates the pace of change. As a result, in business, many Finnish firms have expanded their home market to cover the entire Baltic Sea region with special focus on the Baltic States. In politics and administration, various kinds of pan-Baltic Sea networks and organizations have been formed. Also universities are following the development and actively form inter-regional networks. In addition, it seems increasingly important to integrate the pan-Baltic Sea networks into the wider European academic community. Helsinki School of Economics (HSE) has been actively responding to the new needs stemming from the business community in its education, research and management training strategies. Doing so, we are active members in various business school associations built in the former Eastern Europe (such as CEEMAN, BMDA and RABE) with the aim to link the Baltic Sea Strategy with our memberships in high-quality European Communities such as the CEMS.

The HSE has decades of experience in research, education, student exchange and management training in the Baltic Sea region. The collapse of the Soviet Union and the clearing trade clearly pointed to new needs arising from the business community towards the university. While the bilateral clearing trade was mainly conducted by large companies, the opening up of the markets in Russia and the Baltic States rapidly attracted also small firms. Simultaneously, there was increasing need to train the local managers. As the result, the HSE Small Business Center established a subsidiary in St Petersburg already in 1993 to provide expert training, information and support services for Finnish and Russian SMEs. A related subsidiary was established in Tallinn in 2004. HSE also participated in a pan-Nordic management training program NORLET (Nordic-Russian Leadership Executive Training) conducted in cooperation with St. Petersburg State University and a consortium of large Nordic companies to educate Russian managers in western business theory and practice. This five-year program was continued on a bilateral basis between Finland and Russia in the form of JIPROFIN management training program in 2000-2004 financed by the Ministry for Foreign Affairs of Finland. In Poland, management training took the form of tailored executive MBA education in Poznan.

The new challenges were tackled also in Master's education, and a multidisciplinary study track specializing in Russia and Eastern Europe was established under the Area Studies program. At the end of the 1990s, the HSE

established the Center for Markets in Transition (CEMAT) to coordinate and develop the university's operations related to Eastern Europe. CEMAT soon managed to build up long-term research and training projects both with Finnish partners as well as with Russian and Baltic partners. A good illustration is the Economic Monitoring of North-West Russia (www.economicmonitoring.com) project that has been conducted in cooperation with Finnish and six Russian partners since 2000.

In the 1990s, the transfer of knowledge in the Baltic Sea region was largely one-sided, i.e. from West to East, not only in business operations but also in the cooperation of universities. The East European universities made radical changes to their curricula in order to correspond to the needs of the market economy. Often, this was supported by help from Western universities and EU financing. HSE's experience of curricula development at the St Petersburg State University School of Management aimed at developing the expertise and mentoring the academic staff via student exchange, academic exchange and development of teaching materials. Today, both student exchange and academic exchange of scholars continues with various partners in the Baltic Sea region.

In all its operation, HSE seeks to integrate high academic quality with relevance to the business community. Here, the well-established cooperation with administration of the Helsinki metropolitan area and our partners in business is pivotal. This is reflected in the nature of research carried out by the departments and centers of the HSE, where the share of outside funding has skyrocketed. Within the Baltic Sea region, this has facilitated our aims to rapidly increase true research cooperation with our local partners. It has been a delight to document the fast accumulation of learning of the Baltic Sea partners. HSE hosts annually young researchers from the Baltic Sea region and their capabilities seem to be improving. The knowledge transfer is no longer predominantly one-sided, but rather an increasingly two-way process as it should be.

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