

Speech

by Lauri Bambus:

Opportunities and Responsibilities in Baltic Sea Region

(Check against delivery!)

Dear Ladies and Gentlemen,

First of all let me thank the Nordic Council of Ministers for organising this conference and giving us the possibility to discuss and evaluate the situation on migration and demography in the Nordic-Baltic region. It's my great pleasure to have an opportunity to share with you some views and thoughts about the issues related to migration in our region.

The European Union of today is a truly unique international entity. It comprises of 27 member states and is home for more than 500 million people speaking at least 23 different languages, yet we share common external borders and when we cross our internal borders we don't even notice it. It is a union where free movement of our people, capital, goods and services are the four fundamental rights guaranteed to our citizens. This level of integration has been achieved through solidarity and trust given by its member states. All Nordic and Baltic States, including Norway and Iceland, have decided to put their trust in this borderless union by sharing internal market and being members of the Schengen area. This enhanced cooperation creates numerous opportunities to our countries, more specifically to our businesses and people, but it also adds serious new responsibilities which need to be addressed on both international and state level. Today, I would like to focus on some of these opportunities and responsibilities as perceived by the Ministry of Foreign Affairs of Estonia.

The two significant milestones in creating a Europe without obstacles to free movement are the 1985 Schengen Agreement and the subsequent Schengen Convention of 1990 which initiated the elimination of border controls between participating countries. I am personally a strong supporter of the Schengen ideas, as I was also among the very first diplomats at the Ministry of Foreign Affairs of Estonia, whose task was the accession of Estonia to the European common visa area. I follow with special attention all new developments in this field and I am glad to see that the cooperation between the member states is really good. Today, the

Schengen treaties belong to the core of European Union law, the Schengen area is one of the most recognizable characteristics of the EU, and as polls show, one of the most popular. The benefits of the Schengen area are widely enjoyed by the European countries, their businesses and citizens, as well as obviously by the citizens of third countries.

The right to free movement and the perks of borderless travel are loved and largely exercised in the European Union and Estonia. The elimination of national border controls has meant a tremendous ease of travelling within the Schengen area for EU citizens and non-citizens alike. In 2012, the Tallinn Port alone catered to nearly 9 million passengers, over 7 million of whom travelled between Tallinn and Helsinki! Among these passengers were of course tourists, but also numerous skilled workers, students, and businessmen. It is important to note that this migration is by no means one-sided! While there might be some 20 000 Estonian workers regularly commuting to Finland, at the same time there are nearly 5000 enterprises in Estonia with Finnish partners. Estonia and Finland have approximately 150 joint research projects and numerous enterprises collaborate on regular basis. This kind of close cooperation does not apply only for Finland, for instance there are 1500 Estonian enterprises in Latvia and more than 1700 Latvian enterprises in Estonia, whereas Lithuania is the biggest receiver of Estonian foreign direct investments. These businessmen, workers and students in question often intend to, and eventually do, return to their home country where experience, skills and knowledge accumulated abroad add greatly to their competitiveness on the local market. In the long run, circular migration and transfer of know-how enhances the productivity and economy of both, the Baltic Sea region and the European Union in general.

We can proudly say that the Baltic Sea region is already one of the most dynamic and successful in the world, with stable economic climate and conditions, encouraging economic growth. The fundamental rules of the European single market have prepared an excellent soil for thriving economies, industries and entrepreneurship. The interests of our entrepreneurs and the interests of the state are largely overlapping. So it is up to our governments and state institutions to make sure the rights of free movement in Europe are guaranteed and developed further. It is also in our power to help our entrepreneurs access new markets in the third countries, to help them network and settle. Following the Nordic countries' example, the importance of business diplomacy in Estonia, Latvia and Lithuania has been gradually growing and is now a substantial facet of our foreign policy. This means that our foreign ministries are taking a more proactive role in our countries' foreign economy, investment and

trade. The Ministry of Foreign Affairs of Estonia has ensured that in each of our embassies there is a diplomat responsible for trade- and economy issues, who can and will provide support for newly-arrived businesses and exporters. At the same time, introducing Estonia and the Baltic Sea region as investment- and entrepreneur-friendly, growing area, is an important priority for our embassies in third countries. Also, Estonia's economic interests have significantly contributed to the expanding of our network of representations in the world. Namely, our newest embassies in India and Kazakhstan mainly serve the business interests of our entrepreneurs (and of those in our neighbouring countries), while providing a platform for potential market access also in the neighbouring regions.

This brings us to the benefits the Schengen area has to offer to our partners from third countries, both people and businesses. Just ten years ago, obtaining an Estonian visa in the United Arab Emirates or Zambia would have been an extremely difficult task involving a lengthy travel to the nearest Estonian diplomatic representation. However, today the Schengen common visa regulation makes it possible for the person to apply for a Schengen visa from any member states' embassy and thus comfortably obtain a legal right to visit Estonia as well. If a person wishes to visit only Estonia, one can turn to the embassy that is representing Estonia in issuing visas – in the United Arab Emirates that would be the embassy of Finland, in Zambia one would need to go to the embassy of Denmark. Estonia has concluded such representation agreements with 17 Schengen member states, covering in total 92 different locations around the world.

In addition to offering clarity to the visitors of the Schengen area, the common visa regulation and practices present the member states with an additional layer of security. We could argue that our consulates and embassies in third countries, daily processing visa applications, are also our first line of defence in battling organized crime, drug trafficking and illegal immigration. In 2012 Estonia's representations in third countries received approximately 180 000 visa applications, out of which roughly 2% were eventually refused. The information available for our visa handlers is pooled from all the Schengen members and from different state institutions. This means that an Estonian consul in Astana can make his decision on a visa application taking into account a warning made by German police and a comment provided by a Swedish colleague. New technology and IT solutions have allowed us to retain tight cooperation and work together regardless of geographical location. This kind of cooperation is unprecedented and would have been considered utopian barely 20 years ago.

But by no means have we reached the peak of it – just now we are developing a newer, technically more advanced version of the Schengen Information System. We still have a lot to learn from each other and there's always room for even better communication. For example – Estonia has considerable experience with visa applications from Russia, but only minimal knowledge of visa applications from Sub-Saharan Africa. Right here we have an excellent opportunity to exchange know-how with the Nordic countries who have substantial expertise regarding Africa. The same can be said about South-America where Estonia intends to open its next embassy, namely in Brazil.

Having talked about the opportunities that the free movement of people and enhanced cooperation has to offer, it is now time to look at the other side of the same coin – the responsibilities.

The last three-four years have presented us with some notable challenges. Estonian demographics took a significant blow from the economic crisis – the years 2008 and 2009 brought along a considerable increase in the number of Estonian migrants and a decrease in the number of returnees. This is a pattern that repeated itself in all of the Eastern European member states. Citizens moved away from their homelands hoping to find a job, better salaries and conditions elsewhere. Although at least Estonia has seen a remarkable recovery from the crisis, rapid emigration of Estonians has remained on the upcurve ever since. The result is a negative migration balance for several years in a row and a dwindling population. At the same time, member states that received the migrants (our Nordic neighbours among them) suddenly faced unpredicted numbers of new residents and job-seekers, plus additional changes to their social systems.

To be fair though – there has been a noticeable demand for additional working-hands in all of the Nordic countries. The population in the Nordic countries has been gradually aging and the number of working-aged people decreasing. From a recent interview with Finland's minister of labour, Mr. Lauri Ihalainen, we learn that the Finnish social- and healthcare sectors alone require at least 20 000 new employees by year 2025. The current situation in Estonia is the opposite – young people born in the eighties' and nineties' baby-boom era are in their early adulthood years, just finishing their education, full of vitality and seeking employment, ready to fill in the void in the Nordics. But, however well supply and demand meet in this situation, the fact remains that demographic and migrational changes have been rapid and in many

countries, Estonia included, it has led to a public debate about “brain drain”, or in other words, migration of skilled young labour. This is a challenge that requires national and governmental response.

Estonia has already taken measures to tackle the “brain drain” issue, not by impeding migration, but by promoting circular migration and the eventual remigration to Estonia. In 2010 the Estonian Chamber of Commerce and Industry launched a 2-year project “Talents home!”, where the aim was to persuade young talented Estonians living abroad to return to their homeland by connecting them with Estonian employers and offering them viable job opportunities. The Estonian Integration and Migration Foundation, Our People, allocated more than 70 000 Euros to returning Estonians last year, to support their transition back to Estonia. Creating networking opportunities before people actually leave can also have a positive impact. For example, the Nordic Council of Ministers has launched short-term Nordic-Baltic mobility programmes for entrepreneurs and public sector workers, enabling first-hand networking and exchange of experiences in one of the neighbouring countries.

The Ministry of Foreign Affairs of Estonia and our embassies are doing everything in their power to support and assist Estonian citizens abroad. For example, we currently have some 40 000 Estonians permanently residing in Finland and another 20 000 temporarily residing in Finland. To cater to their needs, in addition to our embassy in Helsinki, we now have 7 honorary consuls representing us in different parts of Finland and we are hoping to find yet another one this year. The Estonian embassy and consuls are working closely together with local authorities, which has enhanced and simplified information sharing, making everyday bureaucratic procedures less complicated for both people and officials. Estonian and Finnish population registers exchange electronic information on a regular basis which ensures that both countries have an up-to-date overview of the number of their citizens residing in the other country. We are currently working toward having the same population data exchange system up and running with Latvia and Lithuania. In the future this kind of information trade could be beneficial between all Nordic and Baltic countries. At the same time the Estonian government has launched a “Fellow nationals program” aimed at Estonians living in other countries to promote and ensure the vitality of Estonian culture, language and nationalism in third country communities.

Having said all that, I must be frank though – the issues surrounding our internal migration within the member states are hardly the biggest problem nor the biggest responsibility with regard to immigration that we face today in Europe. In 2011 our external borders were put to one of the biggest tests in history – the Arab Spring events brought about a massive wave of refugees, legal and illegal immigrants from Northern Africa. As a result, many of our member states demanded the European Union to take serious action, others took it on themselves and resorted to the rare measure of temporarily reinstating internal border controls in order to manage the immigrants' inflow. This goes to show – our external borders are just as strong as their weakest point, which makes our freedom of movement quite a fragile value to behold. Estonia is also one of the member states guarding the external border of Europe and so far the assessment of our work has been positive. However, we must realize that the responsibility for strengthening our external border lies with every member state and not just with the border states – the key to success is communication, cooperation and solidarity. Estonia is glad to note that we have excellent cooperation with our Schengen neighbours, and more specifically, cooperation between Estonian and Finnish border guards has in fact been named the best in Europe by the executive director of Frontex, Mr. Ilkka Laitinen.

In conclusion, I would like to refer to something the Estonian Foreign Minister, Urmas Paet, said in his annual address to the Riigikogu a few weeks ago: “More important than the fact of EU membership is what we do in Europe. What's important is how we stand for the interests and rights of our people, but also how we stand for the interests of all of Europe.”

Ladies and gentlemen, what Europe has achieved today is nothing less than remarkable – a geographically vast, multicultural and multilingual space, yet highly integrated, cooperational, peaceful and free in every sense. I hope that I've demonstrated today that although our enhanced cooperation presents us with new responsibilities, the opportunities of such alliance far outweigh any challenges we might have to face. What matters now is how we keep and develop the unique cooperation that we've created.