

Dear Mr Commissioner,

Dear ministers,

Ladies and gentlemen!

A few months ago I visited Pärnu, and talking to some of the decision-makers in the county I gained an overview of the positive economic outlook in the region: the Lottemaa theme park is being built, and a number of foreign industrial companies have shown interest in setting up in the area. The biggest and ultimately decisive problem for companies looking to establish themselves, however, is the lack of labour. I came across the same problem a little later when visiting Valga, where the lack of skilled labourers has become a real issue.

At first glance, the problem can come as something of a surprise to foreigners who've relocated to Estonia: leaving aside the years of recession, the country's development has been on a constant upward curve.

Looking further ahead, however, it's crucial that Estonia achieve balance in its migration flows. The figures in the latest population forecast have set the alarm bells ringing: if migration trends don't change, Estonia's population will decline by 125,000 by 2040. Then there are the challenges posed by an aging population – a problem that Europe as a whole is facing.

However alarming - A dynamic commuting is not characteristic of Estonia and Finland alone, nor is moving from Estonia to Finland to live and work unusual in today's open world. In The Nordic countries about 280 000 citizens live in another Nordic country at present. Last year more than 58,000 people moved from one Nordic country to another – the majority from Sweden to Norway. And Around 70,000 people commute from one country to another every day in the Nordic region.

As such, crossing borders to live and/or work in another country has become the day-to-day reality for many Europeans. What's interesting here is that although free movement across borders and a common market have been considered the success story of the Nordic countries for more than 50 years, there are still a number of problems and obstacles waiting for a solution?

In response, the ministers for Nordic cooperation have decided to establish a 'border obstacle council' with the aim of eliminating such obstacles and fostering joint action between countries to implement new rules and laws so that these changes do not lead to new problems for ordinary people. The council will also be charged with the task of further developing and increasing information points in the region.

Looking at Estonia from the Nordic-Baltic perspective, it is faced with a number of challenges but also opportunities. The problem of competitiveness in the country is much broader than taxation issues and labour costs. Competition among qualified workers is critical and fundamental. Since old truths no longer hold water, it's time for us to look to the future and find solutions to the problems that lie ahead.



Many things can of course be done internally in Estonia. Other steps urge for cooperation between countries in the region.

Could Estonia and the other Baltic States make the most of the lessons learnt from Nordic cooperation here? It's true to say that although migration flows in the Nordic region have varied from one decade to the next since World War II, the countries involved have benefitted enormously from cross-border cooperation. It hasn't been easy, but the obstacles that have been identified and resolved have all contributed to the strengthening of the region. It's also led to the establishment of official and unofficial cooperation networks in both the public and private sectors.

These countries, with their combined population of 25 million, are collectively among the top ten economies in the world.

I'd like to put forward a question to consider. Is it now the right time for the Baltic States to boost cooperation in the region by looking more closely on border obstacles, to identify the most pressing issues and to then work towards dealing with them? This would require, as it did in the Nordic countries, informing citizens of their rights and the opportunities that are open to them. Membership of the European Union and the principles of free movement generate possibilities, but as in the Nordic region, the crossing of borders needs to be managed and made more efficient so that it becomes a competitive advantage.

In the longer term, cooperation between the Baltic States to remove border obstacles could be a well-functioning Nordic-Baltic cooperation...

To The Nordic Council of Ministers it's important to work together to deal with the demographic challenges facing Estonia and the other Baltic States. This is also one of the reasons we launched a migration-themed project last year, and which we will continue here today together with The Ministry of Social affairs and The University of Tartu. Add to that a will use the opportunity to say thank you to other important sponsors and partners as well.

Keeping in mind the gloomy population forecast for Estonia, we have no alternative than to roll up our sleeves and get down to work. Limiting the free movement and free choice of citizens is not a solution to these problems - that's something we have learned from the past.

Dear friends! On behalf of Nordic Council of ministers I wish you all a good conference with interesting and constructive discussions!

Berth Sundström

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