

I am more than pleased to speak here today at this gathering devoted to the Baltic Sea Strategy, especially because aside from its subject matter, which should be close to the hearts of many, the Strategy also represents a new and to my mind a genuinely positive development in EU policy formation.

Since the EU enlargement of 2004, the Baltic Sea has been, for all intents and purposes, an internal sea of the Union, a new Mare Nostrum, Our Sea, as the Romans referred to the Mediterranean. True, a relatively small part of the Baltic seaboard is not in the EU, that being the eastern shore of the Gulf of Finland and the exclave of Kaliningrad, which together produce a disproportionate amount of the pollution threatening our sea.

We have often heard that Europe must be brought closer to the people, as it indeed should be. While a number of EU policies have done much to make life easier for its citizens – the Schengen Agreement being on such example – the Baltic Sea Strategy is in fact the first EU strategy to have originated in the European Parliament. That is to say, this is the first EU policy initiative to originate from the people who have been democratically and directly elected by the citizens of the European Union.

But to the issue at hand. The European Union has a number of regional policy initiatives, including the Mediterranean Union, the Barcelona Process, the Northern Dimension, and the Eastern Partnership. The EU also has a number of policies for member states, applicable to some but not all members. The Euro, the aforementioned Schengen Agreement, and the less well known Prüm Agreement first spring to mind. Generally, regional policy initiatives focus first and foremost on external policy, and intra-European policies, and are more issue-oriented, e.g., monetary, free movement, crime and terrorism prevention.

The Baltic Sea strategy is neither a regional foreign policy based initiative nor a single sectoral policy delimited project.

It is a macro-regional initiative, which is primarily intended for EU states that want to foster stronger and more open ties within an EU region.

The Baltic Sea Strategy has many objectives, but here they are organised into three goals:

The first objective of the Baltic Sea Strategy is quite apparent: to improve the quality of the Baltic Sea itself, the body of water that for so long divided us and today should unite us. Given our strong economic, cultural and social dependence on our common sea, the largest European inland sea, ensuring its sustainability is of paramount importance to all Northern European citizens.

The Baltic Sea today is perhaps the most polluted sea on the planet. It is the shallowest, with an average depth of slightly more than 50 meters, and the slowest circulating; consequently it takes about thirty years for a total water change.

With most of the seaboard now in the EU, I am today far more optimistic, with environmental co-operation dramatically de-politicised, which has led to a reduction of unhealthy political

borders. With the adoption and implementation of uniform EU environmental standards among EU Baltic seaboard states, major steps have been taken in improving the quality of the sea, although it will take a long time for us to see genuine results. This is especially true because pollution from the Baltic catchment in areas that are not in line with EU rules, including Belarus, continues to be a problem.

Yet, we must face facts and admit that the deterioration of the quality of the sea, dead areas, eutrophication, the continued threat of a major disaster due to the ten-fold increase in oil tanker traffic in the past two decades, and the lack of clarity and the politicisation of the Nord Stream gas pipeline issue all contribute to an increase in the probability of the most dire scenarios.

Clearly, the environment is the one aspect of the Baltic Sea Strategy that must include all relevant countries, including all countries whose rivers and streams ultimately flow into the Baltic Sea.

From its inception, the Baltic Sea Strategy as a report to the Baltic Intergroup in the European Parliament was driven by a vision to increase the integration of the Europe Union members on the Baltic seaboard.

This brings me to the second goal of the Strategy. The desire was and is to utilise, develop, and enhance EU objectives, and in particular, the four freedoms, i.e., free movement of people, labour, capital and services in the region.

The four freedoms are enshrined in the treaty as lofty, ultimate goals of a more perfect union. We have made considerable progress in moving towards these goals through directives applicable to and obligatory for all member states.

However, we let ourselves be deceived by these directives when we limit our possibilities by restricting ourselves to the lowest common denominator.

We can and should agree to dismantle the secondary barriers we still maintain in the areas of the four freedoms.

Let me give you some examples. We have freedom of movement, but once we pass through borders that no longer have border police, everyday life remains complex. Consular red-tape remains Byzantine. In one case, a Finnish citizen living in Estonia had his car's registration documentation stolen while visiting Finland. He was not permitted to return to his Estonian home with his car. He had to travel without his car to Estonia, obtain the appropriate documentation from the Estonian automobile registry, translate the documentation into Finnish, affirm it with an *apostille*, and then present the translation and the *apostille* to both Estonian and Finnish authorities. All this between countries with e-signature laws, and recognised as the EU's top e-government members.

In Sweden, there are serious difficulties in official administrative bodies such as health insurance, the immigration department and banks with regard to recognising official documents from other EU members in the Baltic Sea region.

Analogous issues with alimony, child support payments, inheritances, etc., abound. All of these can be handled with appropriate agreements on mutual legal assistance.

In addition to bureaucratic issues involving citizens, we have all heard of numerous difficulties in all Baltic seaboard states for businesses from neighbouring EU countries. These are difficulties that despite the free movement of goods and capital, inhibit movement across the borderless EU, stifle competition, and raise the spectre of hidden protectionism. Enterprises from other EU countries are required to pay larger guarantees than local companies, and different municipal fees are applied to companies from outside one's own country. In one Scandinavian EU member state, bills paid with a credit card from another EU member state must pay a surcharge; domestic cards have no surcharge.

There are worse examples of the failure of the internal market and lack of equal treatment but listing these would perhaps cause discomfort among some people here today. That is not the purpose.

The point is this: Living as we are at a time of economic difficulty, any hindrance to free enterprise means less economic growth and higher unemployment in our own countries.

The way out of these bureaucratic and administrative obstacles is to make one of the Baltic Sea Strategy's goals the elimination of such barriers, first among ourselves, and if we succeed around *Mare Nostrum*, then take our best practices to the rest of the Union.

More importantly, again in these times of economic difficulty, serious efforts in this area do not require additional funds, from either national or EU budget. The monies planned for the 2007-2013 financial perspective would remain untouched.

Moving beyond environmental and administrative issues, I would like to talk about what I think is the most promising and exciting aspect of the possibilities offered by the Baltic Sea Strategy: to create new synergies and forms of co-operation that would allow us to overcome the smallness of scale we encounter in much of the region.

Let's face it! Most of the EU countries around the Baltic Sea are small. Even in the case of the largest EU member state, Germany, which borders on the Baltic Sea, academic and scientific institutions as well as the backbone of its economy, the SME, are often *Länder* based. In other words, we are small entities located around our common sea.

If we wish for our universities, scientists and SMEs to survive and indeed thrive in a globalised world, in which we are in competition with China, India and the United States, we must, I repeat, must co-operate more effectively.

This means we need to have the courage to avoid duplication and stimulate the creation of centres of excellence. The money we use to build scientific laboratories at universities around the Baltic all too often results in identical facilities being built in Helsinki, Aarhus, Gothenberg, Krakow and Tartu. Why? Why not instead use the same money to develop centres for different

lines of research in specific places, allowing these same Helsinki, Gothenberg and Krakow laboratories to deepen their own specialisation and hence do more effective research.

The model that should be used to increase our co-operation is not new. Indeed, we find it in the beginnings of the EU itself, in the original Coal and Steel Community. The Community initially was planned precisely as a solution to unnecessary duplication and unhealthy, politically dangerous competition and protectionism in a post-war Europe still struggling with reconstruction.

Today, we need not fear that coal and steel production competition might lead to a new war. But we do need to fear that our innovation and science, especially in our small countries will not keep pace with developments elsewhere. Or that our best and brightest scientists will move to the U.S., where already some 80 percent of PhDs in the sciences are granted to people born outside the U.S.

As we face a changed and changing world, a globalised world, a more competitive world, we must find new solutions that will enable us to maintain our competitive edge and the European quality of life to which we have become accustomed. But to do that, we need to work to overcome those obstacles that have come to impede us, where running just to keep up leads to us falling behind.

We need to take the initiative. One of those initiatives, if we put our mind to it and if we find the political will to overcome all the obstacles that I understand are still present, is the Baltic Sea Strategy of the European Union.

Thank you.