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The CBSS's goal for sustainable labour markets in the Baltic Sea Region.

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Dear Excellencies, Ladies and Gentleman,

The Council of the Baltic Sea States and the Secretariat which I am heading have long prioritised the broad issue of labour and the development of a sustainable economy in our region. Over the years our eleven Member States and the European Union have adopted many policies of mutual benefit and have grown together into one of the most dynamic regions at the *top of the world* as we like to say. The development however has not always been linear or straightforward and from time to time new challenges arise which test our ability to adapt to the global economic winds and crucially affect our resilience to weather the tougher times. We all remember and were touched by the most recent recession and in this part of the region the effects were severe.

Over the years the Council of the Baltic Sea States has approached the topic of labour and market interaction from a range of perspectives over the years – here today I would like to outline a few of the current approaches and initiatives in which we are engaged.

I will start by stating the obvious – a well-functioning labour market is a crucial element in the competitiveness of the countries in the Baltic Sea Region and the whole EU. The challenges we are currently facing are the need for better synergies between educational systems and demands of the labour markets, demographic trends, including ageing workforces and pressures on pension systems, unemployment and existing barriers to the free movement of labour. Beside growing economic integration, labour market integration is becoming more and more important.

It is of common interest that labour mobility improves - benefiting not only employees and employers but also national economies, some of which unfortunately have been negatively affected by “brain drain”. The latter should be handled in a smart way and be transformed into the “brain circulation” instead - a movement of skill and talent that is advantageous to all parties.

Today, over 8.3 million EU citizens take part in various forms of labour mobility. The research shows that mobile EU workers have been increasingly heading towards Germany, Austria, Belgium and the Nordic countries. The Nordic countries and Germany build a cluster of countries that have low unemployment, high labour costs and they host many national diasporas from other Member States in the Baltic Sea Region. Very strong links can be found among posted workers; e.g. 34% of all the workers posted within the EU moved to the Baltic Sea Region.



Almost 20 years after the Baltic Sea Parliamentary Conference and the Council of Baltic Sea States were established in 1992 to deal with the political challenges of the region, the earlier transnational cooperation project Baltic Sea Labour Network (BSLN) was succeeded by the Baltic Sea Labour Forum, set up in 2011 to deal with the challenges of developing a sustainable and fair labour market in our region. The BSLF is a cooperation body where the representatives of trade unions, employer organizations, parliament and governmental bodies work together to create sustainable regional labour markets within the Baltic Sea Region. It aims to provide a platform for a permanent exchange of experience and communication between the key labour market actors in the region. The members of the Forum, trade unions and employers, have a responsibility to positively influence the development of the labour market in the Baltic Sea region facilitating the trans-national tripartite Social Dialogue. This is realized through member meetings, projects and the Annual Roundtable meeting.

Baltic Sea Labour Forum now is also a Flagship of the European Union Strategy for the Baltic Sea Region Policy Area Education under the action Social Inclusion – dealing with innovative education and youth, coordinated by Hamburg (Germany) and the *Norden Association* (in Sweden). **The CBSS Secretariat remains at the function of the Lead partner and the main coordinator of BSLF.**

The agenda of the BSLF includes the working areas “mobility of labour” and “youth unemployment. BSLF concentrates on issues which are crucial for ensuring that rules and regulations, as well as working conditions in each country are the same for the foreign and domestic businesses and employees alike. The development of the border regions is in focus due to the existing barriers connected with taxation systems, labour law and social insurance.

Regarding the working area of “youth unemployment” BSLF pays special attention to the management of transition from school to workplace. This includes early economic education in schools and cooperation between educational institutions and enterprises in the form of mentoring, study visits and longer periods of practice.

The CBSS Project Support Facility has, for example, funded projects such as School to Work to develop initiatives to combat early school leavers and assist young people who are not in education, employment or training (NEETs)

The cooperation in the field of science and research on forecasting the labour market’s developments in the BSR is also one of the topical fields to put the common efforts to.

Among the recent activities in the framework of the BSLF I would like to point out the newly initiated **Baltic Leadership Programme (BLP) Labour Mobility** – which promotes and improves the cooperation in the field of labour mobility in order to handle problems which people face when moving for work in another EU country. The programme is supported by Swedish Institute in close partnership with the Council of the Baltic Sea States and the



Norden Association, the latter acting in its capacity as Policy Area Coordinator (PAC) for Education of the EU Strategy for the Baltic Sea Region (EUSBSR). BLP Labour Mobility targets specifically the representatives of the relevant national authorities, social partners, companies and non-governmental organisations in the Baltic Sea region. The programme offers knowledge and expertise in issues related to labour mobility, tools and perspectives needed to tackle transnational collaboration and in-depth insight in the relevant EU structures and funding opportunities.

In 2016-2017 the leadership training within Baltic Leadership Program Labour Mobility offers 3 modules, starting in Malmö, Sweden 24 - 26 October 2016 continuing in Gdańsk (Poland) 30 November - 2 December 2016 and ending in June 2017 in Berlin.

Approximately 40 participants will come from CBSS member states - national authorities dealing with employment, social security and migration, from employers' organisations, from trade unions and cross-border partnerships, as well as from organisations and political platforms in the Baltic Sea region working actively with labour mobility.

The outcomes of the BLP Labour Mobility together with other important contributions from the Baltic Sea Labour Forum will underpin the agenda and discussion during the meeting of the CBSS national Ministries of Labour, tentatively scheduled for June 2017 back-to-back to EU Baltic Sea Strategy Forum in Berlin.

The cornerstone of our labour markets should be the ability of the societies to benefit from labour mobility, social welfare and decent work.

As we live in globalised and interconnected world today, labour mobility in most cases is a good thing, of course, but there are also associated and unintended risks. Unfortunately, exploitation of workers and in some cases trafficking for forced labour is also a part of this larger mobility scenario and we cannot ignore the negatives involved. Due to the changes in the labour market, increased competition and restructuring of production is pressing down prices; private businesses therefore rely more and more on low skilled and low paid workers and migrant workers. There is growing evidence about the prevalence of widespread labour exploitation and abuse of migrant workers at the European level. Despite the risks and high price businesses might pay for being associated with human trafficking for forced labour, the private sector is reluctant to get involved in combating trafficking for labour exploitation. Incentives for business are a key to strengthen the dialogue with private sector. Prevention of forced labour and trafficking for labour exploitation of migrant workers has been the focus of the CBSS Expert Group - Task Force against Trafficking in Human Beings (TF-THB). In recent years key labour actors that may come in contact with victims of exploitation and trafficking such as labour inspectorates, employers and trade unions, recruitment agencies and tax authorities have been involved in the dialogue and trainings on trafficking for labour exploitation. Some Member States, like Germany, Latvia and Sweden have institutionalized cooperation networks involving labour actors, and it is essential, that such initiatives are



developed in all Member States to ensure sustainability and continuity. The TF-THB is also putting strong emphasis on strengthening the role of local actors in mapping instances of exploitation at local level and detecting populations at risk. It is important to make sure that all prevention efforts are integrated in broader policies addressing, for example, labour mobility, gender equality, eradication of poverty and migration management.

To end on a positive note, I would also like to bring an example of the CBSS work with entrepreneurship and innovation. For the past 4 years the CBSS together with the Swedish Institute has been running the programme Balticlab. The programme brings together young entrepreneurs and creatives from the Baltic Sea region, and is focussing on encouraging start-up culture in the region. The aim of Balticlab is to encourage talented and active young professionals to explore the potential of starting their own businesses in the Baltic Sea region countries, exchange knowledge and know-how and through this open up new job opportunities for themselves and their communities.

All these initiatives, projects and programmes help the CBSS cover the different stakeholders of the labour market in the Baltic Sea region, to bring positive change for everyone and to encourage a more integrated approach to cooperation in the Baltic Sea region. The Council of the Baltic Sea States and its Secretariat support further development of the cooperation in the field of labour and employment, and call to pool resources in order to foster sustainable labour markets in the Baltic Sea Region to ensure competitiveness and social welfare of this region.

I wish you fruitful discussions during these two days, and would like to thank you for your attention.