

Speech given by Petteri Orpo, Minister of Finance,
at the Meeting of Finnish Heads of Mission in Helsinki on 27 August 2018

CHANGES POSSIBLE DURING THE SPEECH

Heads of Mission, Ladies and Gentlemen,

This summer will be remembered in Finland for two reasons in particular: record-breaking heatwaves and the meeting of the Presidents of the United States and Russia in Helsinki, which attracted widespread international attention. The results of the actual meeting remained modest, but the meeting was a success for Finland and Finland's foreign policy. Organising the meeting in Finland was a result of the influencing work done across the world by Finland and especially President of the Republic Sauli Niinistö. It was a demonstration of our competence and proof that we are trusted.

Some people have been worried about the impression conveyed of Finland as the organiser of the meeting. According to a media study commissioned by the Ministry of Foreign Affairs and the City of Helsinki, the visibility provided to Helsinki by the meeting was worth more than 3 billion euros. According to the analysis, Finland was described as a liberal, developed and progressive country. To me, this does not sound like a grey zone.

I already said this just before the meeting, but I will say it again now: Finland is not a neutral country in a grey zone. Finland chose its side when it joined the European Union in 1995. We chose a community whose values are based on fundamental and human rights, democracy, the rule of law and a multilateral world order. The world

needs more international agreements and international justice, more respect for the rights of women and girls and more actions to mitigate climate change, not fewer of them. Finland's foreign policy is based on promoting and defending these values and objectives.

Building the country image is a continuing process and one meeting will not swing it in one direction or another. We, the politicians, have the responsibility of saying aloud what Finland's position is and what it is not. We have to put into words what Finland's position and the objectives in its foreign policy are because otherwise someone else will do it for us.

In addition to individual meetings, we have to look at deeper trends. The rule-based international system built after the Second World War is being eroded by questioning agreements and institutions and by building a world of regional power centres in which bilateral cooperation is more important than multilateral cooperation. National conservatism is gaining ground in Europe, in the United States and in the East. Authoritative leaders see liberal democracy as a threat to social order and the elite in power. Threatening with power politics has become commonplace in the relationships between the superpowers and the threat of a full-blown trade war has emerged alongside it.

The general outlook for world trade is good. The economic boon will continue in the coming years and world trade is growing at its fastest this year. The growth will continue fast, led by the United States and the emerging economies. However, many leading indicators suggest there will be a slight slow-down in the growth of the world economy. Increasing protectionism is a threat to economic growth and increases uncertainty. The ongoing Brexit negotiations, the uncertainty about the economic policy lines of Italy's new Government and the economic difficulties in Europe's large

neighbour, Turkey, increase uncertainty for their part. The factors threatening the positive outlook of the world economy have one thing in common: their political nature.

The world needs multilateral cooperation to solve its shared problems. Finland must continue to speak in favour of a world order based on rule-based world trade and international institutions. Stating how things are does matter and talking about values is not futile.

Finland alone will not be able to hold up multilateral cooperation, but the European Union is already a different matter. Europeans should look further out to Australia, India, Korea and Latin America for partners with whom they can promote shared goals in international organisations. Together with other like-minded countries, the European Union can make a change.

Heads of Mission, Ladies and Gentlemen,

This summer, Finland experienced a rare heatwave, but so did the entire northern hemisphere. Spain and Portugal were struggling in the scorching heat of 40 degrees, and record high temperatures were seen in Korea, Japan, Algeria and Canada. In Sweden, drought caused extensive forest fires in different parts of the country. Firefighters and equipment from several EU countries, also from Finland, joined the effort to extinguish the fires. Sweden has expressed its gratitude to the European Union and the Member States for their help. This is an example of the added value provided by the EU.

Climate change is not something one country can solve on its own, but it is not a reason to take an unambitious stance on mitigating climate change. This Government made a decision to ban the use of coal for energy in 2029. However, more measures are required and it is our intention to set up more of them in the government budget session this week.

Finland is, by the way, one of the first countries in the world to have integrated sustainable development into the draft budget. I want sustainable development budgeting to become an effective tool that Finland can proudly present to the world. I intend to highlight this and some Finnish examples related to the pricing of coal in October in Bali when I chair the annual meeting of the World Bank and the International Monetary Fund.

Europe does not need the European Union only in the mitigation of climate change, but also in the management of migration. Tens of millions of people have been forced to leave their homes to flee from wars, persecution and conflicts. People move away from countries in which the population grows faster than the economy, employment and future prospects and look for opportunities elsewhere.

The management of migration requires massive measures from the European Union and from us, the Member States. It means more development cooperation, crisis management, private investments, trade and bilateral cooperation in general. The European Union needs a better joint asylum policy. The EU's external borders must work effectively and safely. The legal ways of entry must be in order. If the EU does not succeed in this, there will be more poverty, conflicts, refugees and radicalisation. If the EU does not succeed in this, there will be more social unrest in the EU Member States.

Climate change too makes people leave their homes and become refugees. We must do all we can to support sustainable economic growth in African countries. Cooperation development is important, but it will not alone solve the multitude of problems in Africa. I will take one example. According to the UN, more than two million hectares of forest disappear in Africa every year as the population grows fast. Everyone understands that the global climate simply cannot afford to lose the forests of Africa. But everyone also understands that people in African countries have their needs. The population in Africa is growing at a fast pace and the need for jobs, wood and arable land is also growing alongside it.

An essential part of the solution is sustainable forest management, which means protecting and managing forests in a sustainable way, but in a way that also provides work and economic benefits to the surrounding area. In fact, Finland is already an important operator in African forests. For example, through development cooperation, thousands of hectares of forests have been planted with our support in Tanzania.

In my opinion, we need to do more. We have all that is required to do it: expertise, experience and a vision. Finland has itself become prosperous through the sustainable management of forests. If there is one sector that we know well it is the forest sector. This expertise is now needed in the developing countries. We will also need our forestry companies to join this climate effort. I encourage them to investigate the opportunities provided by the forests of Africa.

Heads of Mission, Ladies and Gentlemen,

The world is changing at an increasing pace and this has also brought about new security threats. It is now more than one year from the first terrorist attack in Finland and Europe has seen several such attacks. The choice of methods available in hybrid influence is constantly increasing. This is a threat to democracy and free elections.

Hybrid threats are so diverse that both the EU and NATO are needed to respond to them. The European Centre of Excellence for Countering Hybrid Threats established in Finland, which has been given the task of promoting cooperation between NATO and the EU, plays a key role in this. The Centre offers Finland a unique opportunity for raising its profile and this opportunity must not be left unused. Let's not act in this matter in the way we Finns typically do. Let's not hide our expertise and skills!

Finnish society must prepare for a multitude of hybrid and cyber threats that have serious effects. To prevent new and old security risks, both hard and soft methods are required. In my proposal for next year's Budget, the number of police officers will be kept at the current level and additional funding is proposed for it. Additional funding will also be given to Finnish Security Intelligence Service and to the Border Guard.

In my budget proposal, money has been reserved for the establishment of a Government hybrid analysis function. The intention is to strengthen our ability to identify and analyse hybrid threats. In addition, the European Centre of Excellence for Countering Hybrid Threats will receive additional funding. More money will be allocated to the implementation of the civilian intelligence legislation, providing that the legislative reform enters into effect next year. In my view, this legislation should be adopted immediately.

An increase in racism, online bullying and incitement to violence both in online discussions and at schools and workplaces is a problem that affects a large number of

different people. Freedom of speech always includes responsibility for one's own speech and writing. Hate speech, threatening with violence, racism and bullying are not protected by freedom of speech. To find ways to combat hate speech, we will examine regulation through the criminal law, the capabilities of the police and the authorities, the responsibility of service providers for the content they publish, and the methods of preventing hate speech and bullying.

Mitigation of climate change, management of migration and combating new security threats require cooperation between different countries. The natural reference group for Finland is of course the EU Member States. As part of the EU, Finland and the other EU Member States can operate effectively also in other parts of the world.

Heads of Mission, Ladies and Gentlemen,

In twelve months, Finland's presidency of the Council of the European Union will be well underway. Our presidency will be characterised by the opening of the new European Parliament, the nomination of the new Commissioners and the negotiations on the new multiannual financial framework. We must prepare for the possibility that the financial negotiations will still be ongoing in autumn 2019.

From Finland's viewpoint, the total level of the proposal for the financial framework given by the Commission in May is very high. However, the Commission's proposal takes into account Finland's content-related objectives extremely well. The Commission proposes that more money be allocated to the management of migration, to defence cooperation and to research and development. Investments in research, development and innovations support economic growth, employment and

knowledge everywhere in Europe. Europeans expect the EU to act in matters concerning migration and defence.

Making fostering the rule of law a precondition for EU funding is a welcome change in favour of which the Finnish Government has also been speaking. The rule of law framework, which has been used to monitor the development of the rule of law in Poland, originally developed from a letter sent jointly to the Commission by the ministers for foreign affairs of Finland, Germany, the Netherlands and Denmark.

In my view, the greatest challenge is how each EU Member State could in addition to focusing on the funding it receives also look into the future and remember that the Budget is done with the interests of the entire EU in mind. The total level must be assessed through the content of the proposal. Possible additional payments must provide added value to Finns and other Europeans.

Finland's share in the different policy fields such as the common agricultural policy and regional development depends on the criteria and the result of the negotiations. For Finland to be successful in the negotiations, our objectives must be clear, we must have a bargaining range and we must find friends with whom we have shared interests.

When Finland's presidency begins, the United Kingdom will already have left the EU and a controlled transition stage during which the EU and the United Kingdom must rebuild their relationship will hopefully be underway. Both the EU and the United Kingdom must rapidly adapt to the new situation, with or without an agreement. Finland wants to base this new relationship on an agreement that is good for the EU and the United Kingdom, but not at any cost.

The EU cannot compromise its greatest achievement, the internal market, or the free movement of people, goods, services and capital. In spite of the differences of opinion, I believe the parties will come to an understanding. They both have a strong willingness to reach an agreement because the interests on both sides are considerable.

To the EU's advantage, it can be said that we have managed to speak with one voice and remain behind one position in the negotiations. This is the condition for succeeding in the Brexit negotiations in future, too. Finland fully supports the EU's chief negotiator Michel Barnier and his team.

The departure of the United Kingdom means that Finland and the other northern EU countries lose an important partner. The United Kingdom shared with us the important objectives of defending competition and opposing to protectionism and was an important party in keeping this agenda on the EU tables. Finland must not just adapt to the new situation and the United Kingdom's departure, but systematically build good relationships with like-minded EU countries that share with us the agenda of responsible management of finances and anti-protectionism, which is important to us.

A good example is the Hansa cooperation, which I have been starting with the ministers of finance of the Netherlands, Ireland, Sweden, Denmark, Estonia, Latvia and Lithuania in issues related to the development of the Economic and Monetary Union. The development of the banking union and the capital market union are at the top of our list of priorities and we have similar objectives regarding it. Finland's basic policy line has been that problems are not solved by money or by increasing the solidarity based on transfer payments. Deepening the solidarity based on transfer payments is more likely to disintegrate the euro area than to bring it together.

The declaration on the further development of the EU made by Germany and France in Meseberg Castle is a good starting point for the development of the Economic and Monetary Union. A rough estimate is that 80 per cent of the declaration is good, 10 per cent of it is something that still needs to be polished from Finland's point of view and 10 per cent is not compatible with our objectives. Based on this, it is very possible to reach an agreement. The development of the EU has always meant reconciling different visions. The worst situation would be one in which it is not possible to reach an agreement about visions and in which the development work will therefore start to drag on. It is important to proceed in the development of the Economic and Monetary Union.

During its presidency, Finland will have two important objectives. The first objective is to make a lasting impression. We have the opportunity to influence and raise our profile in the eyes of the other EU Member States. Let's not leave that opportunity unused. The other objective is to succeed in the negotiations on the EU's governmental programme, in other words in influencing the new Commission's work programme, so that issues important to us will be given the weight we want them to have.

In my opinion, knowledge and education would be a natural focus area for Finland's presidency. Strengthening knowledge and education is the key to solving digitalisation, automation and the other challenges related to the transformation of working life that is affecting the EU Member States. By raising and maintaining our knowledge and educational level, we can turn those challenges into opportunities.

What is essential is to enable people to acquire such knowledge, skills and competence that will help Europe become successful in the utilisation of digitality,

the application of artificial intelligence and the promotion of sustainable growth. Knowledge is Europe's advantage in the global competition. Knowledge is a way to fight poverty and lack of prospects. Knowledge is the foundation of the European welfare society. Moreover, Finland is already known as a superpower of education.

Next year, a new era will begin in the EU when the next Parliament is elected and the next Commissioners are nominated for the EU. It is time to evaluate the past term and reflect on what the EU should focus on next. Great in great matters and small in small matters will in my opinion be a good general rule also in future. After the years defined by the euro crisis, it is time for the EU to look outwards and into the future even more strongly.

I expect the next Commission to focus even more strongly on the sustainable growth of the economy and the wellbeing of the citizens. New growth must be based on the use of sustainable, renewable and recyclable materials, clean technology and low carbon. The EU's commitment to the promotion of a low-carbon economy requires sustainable industrial production and use of natural resources. Sustainability is not an obstacle, but an opportunity! The availability of qualified workforce is an essential growth factor in the internal market. Removing the obstacles to mobility is one efficient way to increase the amount of available workforce. I expect the next Commission to be even more strongly outward looking and focus on speaking in favour of an open trade system that is based on rules and on strengthening it.

The EU must do more to strengthen Europe's security and defence and to protect its citizens in a challenging geopolitical environment. European defence cooperation is the field in which the EU Member States can achieve significant European added value. The implementation of different initiatives must be ensured and their operation established. When defence initiatives are discussed, it is important for

Finland to highlight how they help to protect Europe. It is also in Finland's interests to develop the conditions for applying the mutual defence clause and keep bringing it up in the EU's exercises.

Finland must take an ambitious stance to its presidency and to its EU policy in general. The EU is not an object whose interests must be protected. We are the EU. It is time for us to understand that the stronger the EU, the stronger is Finland's independence.

Our policy is not to slow down European integration, but to take it in the direction we would like it to go. The direction I would like to see is a unified and strong EU that is capable of representing its Member States and citizens on international arenas and capable of producing security and wellbeing to its citizens more than each Member State on its own.