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On the project

Due to the new treaty provisions of the Lisbon Treaty and the economic crises the enlarged EU of 27 member states is on the search for a new modus operandi while also continuing membership talks with candidate countries. The EU-27 Watch project is mapping out discourses on these and more issues in European policies all over Europe. Research institutes from all 27 member states and the four candidate countries give overviews on the discourses in their respective countries.

The reports focus on a **reporting period from December 2009 until May 2010**. This survey was conducted on the basis of a questionnaire that has been elaborated in March and April 2010. Most of the 31 reports were delivered in May 2010. This issue and all previous issues are available on the EU-27 Watch website: www.EU-27Watch.org.

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Estonia**Post-Lisbon realities: much practical work to be done**

Piret Ehin*

With the entering into force of the Lisbon Treaty amidst the ongoing economic malaise, the era of lofty visions and grand designs for the future of Europe has ended, and the focus now is on practical problem-solving, implementing the provisions of the treaty, and searching for new functionality and balance. Putting its house in order and ensuring the smooth functioning of institutions after the changes brought by the Lisbon Treaty will consume most of the Union's energy in 2010. Throughout the process of treaty reform, the Estonian government was a strong proponent of further integration and constitutionalisation. While it would have preferred the original Constitutional Treaty over the watered-down Lisbon version, the Estonian government nevertheless welcomes the opportunity to leave the bargaining behind and "get down to real work." Some commentators, however, argue that "the cure with the Lisbon Treaty has been worse than the disease itself:" while the EU was already off-balance as a result of enlargement, the new treaty produced even greater disorientation and institutional confusion.¹ Such criticism has focused, above all, on the selection of the new President of the European Council and the High Representative of the Union for Foreign Affairs and Security Policy. According to a prominent Estonian EU commentator Ahto Lobjakas, the Lisbon Treaty led to a darwinistic fight for existence in the upper echelons of the EU hierarchy. According to this diagnosis, the Union now has four presidents and one foreign minister without a functioning division of labor. As long as Herman Van Rompuy, José Manuel Barroso, and Catherine Ashton divide territories and learn their jobs, substantive policy-making progress in the EU has been put on a halt. In particular, no progress can be expected in the realm of foreign policy, and the best one can hope for is retaining the status quo.²

The selection of the President of the European Council and High Representative was heavily criticised for lack of transparency, democracy, and public involvement. Some critics pointed out that the process resembled the procedures for selecting the leader of the Soviet Politburo in the 1980s, when after the death of another leader the public was presented with a hitherto unknown name.³ "Can anyone imagine that we would elect the president of Estonia in such a manner? That a week before the electoral college convenes, the media would have to speculate about who the candidates are?" asked one journalist.⁴ Observers complained about the lack of reference to any conceivable meritocratic scale.⁵ Yet others criticised the process from a gender perspective, pointing out that there were far too few women among the candidates for the high EU posts.⁶

Reactions to the results of the selection were equally critical. While Prime Minister Andrus Ansip praised both individuals as "experienced politicians and strong personalities" well-suited to lead the European Council and to direct the Union's foreign policy,⁷ few others seemed to share his optimism. Marko Mihkelson, Chair of the European affairs committee of the Estonian parliament, said Van Rompuy and Ashton were a very "cautious choice."⁸ The ever-critical EU commentator Ahto Lobjakas portrayed the selectees as undistinguished bureaucrats who do not represent any noteworthy centers of power, do not embody any intellectual or ideological current relevant in Europe today, do not speak in the name of anyone, or stand for anything aside from possible personal convictions.⁹ Others suggested that the labels "president" and "foreign minister" create excessive expectations: in reality, the President of the European Council is a secretary general of the European Council whose job is to organise meetings, and the High Representative knows fully well that she cannot go against the will of Paris, London or Berlin. In short, both are policy takers, not makers.¹⁰ It should be noted, however, that in contrast to the initial outpour of opinions, there have been virtually no attempts in the Estonian media to assess the performance of either Van Rompuy or Ashton during their time in office.

The Estonian government regards the creation of the European External Action Service as a priority. The service must be "comprehensive and strong," capable of providing substantial support to the High Representative of the Union for Foreign Affairs and Security Policy, and it should be created "as quickly as possible."¹¹ Estonia emphasises that the service should include aspects of consular work and must be able to help EU citizens in crisis situations. A small country like Estonia has much to gain from a global network of EU representations (Estonia has 44 embassies, consulates and representations around the world, while the European Commission has over 130 delegations and

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offices). According to Foreign Minister Urmas Paet, the service should have “a leading role in planning out financial resources, for the sake of the coherency of the Common Foreign and Security Policy and development aid.”¹² Like several other new member states, Estonia also insists on ensuring geographical balance when choosing personnel for the service. This is particularly important given the fact that new member states are underrepresented in the European Commission and the Council's bureaucracy, while, according to current plans, two-thirds of the staff of the European External Action Service will be recruited from the ranks of these institutions. Hendrik Hololei, head of cabinet for Commissioner Siim Kallas, claimed that “representation of all 27 member states will be the litmus test of the [European] External Action Service.”¹³ On a related note, there appear to be tensions between the Estonian Ministry of Foreign Affairs and Estonians working in EU institutions: for reasons not entirely clear, the ministry backs its own diplomats competing for high-ranking posts in the new service, while Estonians working in EU institutions are left to their own devices.¹⁴

There has been very little public discussion of the rules and procedures for the European Citizens' Initiative, aside from a few articles by representatives of the EU institutions in the main newspapers. However, a potentially significant development is the launching of a web platform,¹⁵ where anyone can post or electronically sign petitions using ID-cards equipped with a computer chip. The petitions launched so far have focused on domestic and local issues, but the platform could be used to collect signatures to support European-wide initiatives.

¹ Ahto Lobjakas: Euroopa hoovõturaja lõpp, Postimees, 05.01.2010.

² Ahto Lobjakas: Brüsseli suits ja peeglid, Postimees, 03.03.2010.

³ Sulev Vedler, cited in Raul Sulbi: Vedler: ELi presidendi valimine meenutab poliitbüroo juhi valimist, Postimees, 14.11.2009.

⁴ Ibid.

⁵ Ahto Lobjakas: Euroopa absoluutne nullpunkt, Postimees, 23.11.2009.

⁶ Anna-Maria Penu: Soopimeda Euroopa Liidu Eikeegid, Postimees, 09.12.2009.

⁷ Postimees: Paet ja Ansip tervitasid ELi juhtide valimist, 19.11.2009.

⁸ Eesti Päevaleht: Mihkelson: Rompuy ja Ashton olid väga ettevaatlik valik, 20.11.2009.

⁹ Ahto Lobjakas: Euroopa absoluutne nullpunkt, Postimees, 23.11.2009.

¹⁰ Martin Kala: Et Euroopas võidaks julgus, Postimees, 18.12.2009.

¹¹ Ministry of Foreign Affairs: Foreign Minister Paet: EU Needs Strong European External Action Service That Can Help Citizens of Union in Crisis Situations, press release No 76-E, 06.03.2010, available at: <http://www.vm.ee/?q=en/taxonomy/term/61> (last access: 01.06.2010).

¹² Ibid.

¹³ Kadri Kukk: EL-i välisestenustusse kandideerimine tekitab paksu verd, 30.03.2010, available at: <http://uudised.err.ee/index.php?06198955> (last access: 01.06.2010).

¹⁴ Ibid.

¹⁵ See the website www.petitsioon.ee (last access: 01.06.2010).

Estonia**In favour of an open-door policy and an ambitious Eastern Partnership**

Piret Ehin*

The Estonian government continues to support further enlargement, while emphasising that the process is dependent on progress made by each candidate state. According to Foreign Minister Urmas Paet, "Estonia is a supporter of the European Union's open-door policy so that nations that share common values and principles with our member states can be included in the Union."¹ The government faces no significant domestic constraints in pursuing this policy: according to the latest Eurobarometer survey, conducted in autumn 2009, 57 percent of Estonian respondents supported enlargement, compared to the EU average of 46 percent.²

Estonia maintains that accession negotiations with Iceland should be started as soon as possible and strongly backs Iceland's accession to the European Union. In April 2010, the Estonian Foreign Ministry held a seminar in Iceland, during which representatives and experts from Estonian government institutions shared Estonia's experiences with EU accession and membership. Foreign Ministry Secretary General Marten Kokk stated that "for any sectors in which Iceland is interested, Estonian experts will gladly share their experiences in joining the European Union."³ This commitment reflects the history of bilateral relations: Iceland was the first country in the world to recognise the Republic of Estonia following the restoration of independence in August 1991. This bold step by a tiny nation is remembered with gratitude, and ensures Estonia's whole-hearted support to Iceland's EU aspirations.

Estonia's support to the accession of the Western Balkan countries remains similarly firm. In May 2010, Vladimir Drobnjak, Croatia's chief negotiator with the EU, visited Estonia. Estonian officials acknowledged Croatia's progress and expressed hope that Croatia "will soon be able to open the final chapters and complete the negotiations on the technical level this year."⁴ According to the Estonian Foreign Ministry, "Croatia becoming a member of the European Union would be a positive sign to the entire Western Balkan region."⁵

During the meeting with Serbian Foreign Minister Vuk Jeremić in Tallinn in March 2010, Foreign Minister Paet confirmed that Estonia recognises Serbia's steps towards the EU and completely supports Serbia's reform efforts. Estonia regards the decision made by the EU in December 2009 to begin implementing an interim stabilisation and association agreement with Serbia as a significant step in the integration process.⁶ EU's decision to extend visa-free travel to citizens of Serbia, Montenegro, and Macedonia constitutes another important and welcome development. Estonia attaches great significance to Serbia's cooperation with the International Criminal Tribunal for the former Yugoslavia.

Estonian officials share the general perception that, relative to the other Western Balkan countries, Bosnia and Herzegovina has fallen behind and needs to speed up the implementation of reforms, and the government needs to agree on a common vision regarding the general direction of the nation's Euro-Atlantic development.⁷

The EU's Eastern neighbourhood is an area of great importance to Estonia, and the country has been a keen observer and active participant in the development of the European Neighbourhood Policy (ENP). Estonia portrays itself as a proponent of an ambitious ENP and as a "principled, consistent, and strong, yet demanding, supporter of our Eastern Partners."⁸ Estonia is keen to share its transition experiences with other countries, and has expanded activities designed to transfer transition know-how. It participated actively in the compiling of the Transition Compendium, an overview of the member states' transition experiences prepared by the European Commission. The Foreign Ministry is expanding its training programmes for the Eastern partners. A five-day training seminar for specialists and experts from Eastern Partnership target countries (Armenia, Azerbaijan, Georgia, Moldova, Ukraine, and Belarus) was organised in Tallinn in April 2010. It focused on matters related to good governance and public administration reform. In the longer perspective, Estonia is prepared to establish an Eastern Partnership training centre in Tallinn similar to the Mediterranean Academy in Malta.⁹ Estonia also supports the Eastern neighbours by contributing to the Neighbourhood

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Investment Facility Trust Fund, and continues to implement bilateral development cooperation projects in its priority partner countries – Georgia, Ukraine, and Moldova, as well as in Belarus and Armenia.

Estonia's goal during the Spanish Presidency is the further development of the Eastern Partnership in accordance with goals specified in the Joint Declaration of the Prague Eastern Partnership Summit, and development of bilateral relations between the EU and the partner countries.¹⁰ The government emphasises the importance of concluding deep and comprehensive free trade agreements, the ultimate objective being a common free trade area. It also supports the expansion of visa-free travel and prioritises close cooperation in energy and infrastructure matters. It notes that Ukraine, Moldova, and Georgia have already unilaterally dropped all visa obligations for EU citizens. According to Foreign Minister Paet, Estonia supports "the continuation of the visa dialogue with Ukraine, and the initiation of one with Moldova, as well as the speedy concluding of visa facilitation and readmission agreements with Georgia."¹¹ Paet also confirmed that Estonia will "do [its] best to reach a consensus on the association agreement negotiations mandates with Georgia, Armenia, and Azerbaijan" in the first half of 2010. Estonia also continues to emphasise the value dimension in relations with Eastern partners, arguing that the Eastern Partnership "must become a values-based policy that will provide effective aid to target countries in growing closer to the European Union and in developing democracy and building up the rule of law."¹²

Compared to the Eastern dimension of the ENP, Estonia has fewer contacts and experiences with the southern neighbours. The government recognises that "the EU's cooperation with neighbours to the south is equally important" but focuses its own attention mostly on the Eastern dimension. According to the Foreign Ministry, it is essential to ensure that financing for the neighbourhood programmes is allocated equally between the southern and eastern facets of European Neighbourhood Policy.¹³

¹ Ministry of Foreign Affairs: Foreign Minister Paet: Estonia Supports Serbia on Path to European Union, press release No 80-E, 09.03.2010, available at: <http://www.vm.ee/?q=en/taxonomy/term/61> (last access: 01.06.2010).

² European Commission: Eurobaromeeter 72: avalik arvamus Euroopa Liidus. Sügis 2009. Rahvuslik aruanne: Eesti, available at: http://ec.europa.eu/public_opinion/archives/eb/eb72/eb72_ee_ee_nat.pdf (last access: 01.06.2010).

³ Ministry of Foreign Affairs: Estonia Supports Starting EU-Iceland Accession Negotiations as Soon as Possible, press release No 114-E, 14.04.2010, available at: <http://www.vm.ee/?q=en/taxonomy/term/61> (last access: 01.06.2010).

⁴ Ministry of Foreign Affairs: Estonia Supports Rapid Accession of Western Balkans to European Union, press release No 149-E, 04.05.2010, available at: <http://www.vm.ee/?q=en/taxonomy/term/61> (last access: 01.06.2010).

⁵ Ibid.

⁶ Ministry of Foreign Affairs: Foreign Minister Paet: Estonia Supports Serbia on Path to European Union, press release No 80-E, 09.03.2010, available at: <http://www.vm.ee/?q=en/taxonomy/term/61> (last access: 01.06.2010).

⁷ Ministry of Foreign Affairs: Paet: Serbia, Macedonia and Montenegro Closer to Europe Than Before, press release, 08.12.2009, available at: <http://www.vm.ee/?q=en/taxonomy/term/61> (last access: 01.06.2010).

⁸ Address by Foreign Minister Urmas Paet to the Riigikogu on behalf of the Government of Estonia, 11.02.2010, available at: <http://www.vm.ee/?q=en/taxonomy/term/61> (last access: 01.06.2010).

⁹ Ibid.

¹⁰ State Chancellery of Estonia: Aims of the Estonian Government During the Spanish Presidency, available at: http://www.riigikantselei.ee/failid/EE_priorities_EN.pdf (last access: 01.06.2010).

¹¹ Address by Foreign Minister Urmas Paet to the Riigikogu on behalf of the Government of Estonia, 11.02.2010, available at: <http://www.vm.ee/?q=en/node/9002> (last access: 01.06.2010).

¹² Ministry of Foreign Affairs: Paet: Free Trade and Visa Facilitation with Eastern Partnership States in EU's Interests, press release No 304-E, 08.12.2009, available at: <http://www.vm.ee/?q=en/taxonomy/term/61> (last access: 01.06.2010).

¹³ Estonian Embassy in the UK: Estonia in the European Union, 04.05.2010, available at: http://www.estonia.gov.uk/estonia_in_the_eu (last access: 01.06.2010).

Estonia**Green light to Estonia's Euro-accession amidst tumult in the Eurozone**

Piret Ehin*

In Estonia, as in the other European countries, the Greek crisis caused concerns about the stability of the Euro, and raised difficult questions about solidarity in the EU. But highest on Estonia's agenda was the question of how the Greek crisis would impact Estonia's own bid to join the Euro. Just as European leaders decided on a massive emergency rescue package to halt a festering sovereign debt crisis, Estonia eagerly waited for the European Commission's convergence report. Having followed a strict austerity programme since the beginning of the economic crisis (public spending in 2009 was a drastic 12 percent less than in 2008), Estonia was able to keep its budget deficit in 2009 at 1.7 percent despite a 15 percent drop in Gross Domestic Product (GDP). The country is the least indebted nation in the EU (its debt stood at 7.2 percent of GDP in 2009, well below the Eurozone average of 60 percent), and the economic crisis had helped bring down inflation. Having met all three Maastricht criteria, Estonia believed it was ready to adopt the Euro, but many feared that unprecedented turbulence in the Eurozone might bring the expansion of the single currency area to a halt, or lead to the introduction of new criteria. These fears were fed by reports that Jürgen Stark, a member of the Governing Board of the European Central Bank, believed Estonia was not prepared to join the Eurozone, despite meeting the Maastricht criteria, and favoured the introduction of additional criteria such as GDP per capita.¹

For Estonia, the prospect of politics interfering with its accession to the Eurozone, just as years of prudent policies and hard work were expected to pay off, was a frustrating possibility. In the eyes of the Estonian public, the EU's decision on Estonia's Euro-eligibility constituted another test of the EU's ability and willingness to apply the same standards to old and new, large and small member states. "We don't think we have to convince somebody that Estonia is not Greece," said Prime Minister Andrus Ansip.² In an article that appeared in *The Economist*, Edward Lucas argued that making Estonia wait would send a "perverse message": "Estonia is almost the only country in the whole EU that actually meets the common currency's rules. All those that use the Euro have gaily breached the deficit and debt limits. The grit shown by Estonian politicians and the public in shrinking spending, raising taxes and cutting wages has been exemplary. Punishing Estonia, which obeyed the rules, while bailing out Greece, which has breached them flagrantly, would do little for the Euro's credibility with governments and investors alike."³

On 12 May 2010, the European Commission announced that Estonia has fulfilled the Maastricht criteria on inflation, debt, and the budget deficit, and no technical or financial barriers stand in the way of the country adopting the Euro on 1 January 2011. Provided that the final political decision follows in mid-July, Estonia will be the third post-communist country to adopt the common currency after Slovenia and Slovakia.

The Greek crisis and its impact on the Euro provided ample ammunition to domestic skeptics, who compared Estonia's prospective Eurozone accession to boarding a sinking ship. However, their calls had little resonance, as public support for the EU remains high, and the lesson Estonians seem to have drawn from the hard times is that they would be worse off without the European Union.

The Estonian government approves of the EU's rescue package for Greece and welcomes the creation of the European Stabilisation Mechanism. According to Finance Minister Jürgen Ligi, these decisions "sent an important message to the markets" at a difficult moment.⁴ Prime Minister Andrus Ansip confirmed that Estonia is ready to buy Greek government bonds and to participate in the wider bailout: "If it will be decided that EU members outside the Eurozone can also participate, then yes, I'm for bigger solidarity inside the European Union and we never know when we could be asking for help."⁵

Several analysts have suggested that the Greek crisis could eventually be for the good, because it forced member state governments and EU institutions to finally face the multiple problems with the Stability and Growth Pact.⁶ The Estonian government has for a long time emphasised the importance of strengthening the pact. In particular, this involves ensuring the sustainability of public finances,

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increasing the efficiency of government expenditure, and improving the quality of public revenue. According to the government's EU policy strategy document for 2007-2011, "[s]trong fiscal discipline, establishment of medium-term budgetary goals that are more ambitious than current goals, and strengthening the preventive part of the Stability and Growth Pact, both through increased responsibility of the member states as well as by developing a corresponding analytical framework, are important for achieving these goals."⁷ Thus, the Estonian government will certainly stand behind proposals aimed at strengthening fiscal discipline and introducing tighter monitoring and permanent crisis prevention mechanisms. Indeed, the government appears to bask in assessments praising Estonia as "a model of the fiscal discipline that the EU now wants to bring to the entire Euro area."⁸

Estonia's position on the Europe 2020 Strategy is that it should focus on identical goals as the current Lisbon Strategy, i.e. on growth and jobs, taking also into consideration the need to reduce the impact of economic activities on the environment. To ensure more effective implementation than was the case with the Lisbon Strategy, implementation mechanisms must be strengthened and more power given to the European Commission, both in initiating legislation and in monitoring and assessing the implementation of the strategy. The priorities of the new strategy should be duly taken into account in the elaboration of the next EU financial perspective. The Europe 2020 Strategy should focus on a limited number of priority areas that have the greatest potential to improve EU's competitiveness. Main priority areas for Estonia are further development of the internal market, mobility and information society, R&D and innovation, education, creation of jobs, social cohesion, and promotion of the eco-efficient economy.⁹ Prime Minister Ansip has expressed satisfaction with the fact that proposals by President of the European Council Herman Van Rompuy broadly coincide with Estonia's vision of the strategy's foundations.¹⁰

¹ Mikk Salu: Euroopa Keskpank kahtleb, kas Eesti ikka on eurokõlblik, Eesti Päevaleht, 16.04.2010.

² David Mardiste: We're *not* Greece, says premier of euro hopeful Estonia, 23.04.2010, available at:

<http://www.forexpros.com/news/financial-news/interview-we%27re-not-greece.-says-premier-of-euro-hopeful-estonia-132549> (last access: 01.06.2010).

³ Edward Lucas: Euro not bust, The Economist, 13.05.2010.

⁴ Ministry of Finance: Euroopa Liidu rahandusministrid leppisid kokku ühtses finantsstabiilsuse mehhanismis, press release, 10.05.2010, available at: <http://www.fin.ee/index.php?id=105199> (last access: 01.06.2010).

⁵ Baltic Business News: Ansip: Estonia is ready to buy Greek government bonds, available at:

http://www.balticbusinessnews.com/article/2010/05/13/Ansip_Estonia_is_ready_to_buy_Greek_government_bonds (last access: 13.05.2010).

⁶ Villu Zirnask: Miks Kreeka kriis võib lõpuks olla hea, Eesti Päevaleht, 20.05.2010.

⁷ State Chancellery of Estonia Estonia's European Union Policy 2007–2011, available at:

http://www.riigikantselei.ee/failid/ELPOL_2007_2011_EN.pdf (last access: 01.06.2010).

⁸ Ott Ummelas: EU's Least-Indebted State Is Model After Greek Crisis, available at: <http://www.businessweek.com/news/2010-05-11/eu-s-least-indebted-state-is-model-after-greek-crisis-update2-.html> (last access: 01.06.2010).

⁹ State Chancellery of Estonia: Aims of the Estonian Government During the Spanish Presidency, available at:

http://www.riigikantselei.ee/failid/EE_priorities_EN.pdf (last access: 01.06.2010).

¹⁰ Estonian Government: Euroopa Liidu tippkohtumisel arutati järgnevate aastate majanduspoliitikat, press release, 11.02.2010, available at: <http://www.valitsus.ee/?id=9916> (last access: 01.06.2010).

Estonia**A binding agreement is needed; the Commission should be the driving force**

Piret Ehin*

On the issue of climate change, the Estonian government supports “an ambitious and binding global agreement” on cutting greenhouse gas emissions that includes all major polluters, and believes that, in this respect, “the role of the European Commission as a driving force is irreplaceable.”¹ According to the government, Estonia is prepared to contribute to both reducing greenhouse gases and financing the future agreement. In light of these goals, the results of the Copenhagen conference were disappointing. According to Prime Minister Andrus Ansip, the EU “did what it could” and has set a good example for the other partners both in terms of reducing emissions and committing finances. European partners should continue work towards a legally binding global agreement.² According to the Estonian government position paper for the European Council meeting of 25-26 March 2010, Estonia continues to support the EU’s plan to reduce emissions by 30 percent compared to 1990 levels in case other developed countries commit to comparable reductions and developing countries “contribute each according to their obligations and ability.”³ In the post-Copenhagen situation, the Estonian government believes that it is better to refrain from introducing new numerical targets. Instead, the EU should focus on explaining its position and communicating with all partners. Again, the European Commission should play a central role in these efforts.⁴

However, there appears to be a gap between the Estonian government’s rhetoric and real commitment to fighting climate change. Like many other post-communist countries, Estonia could easily meet Kyoto targets due to the collapse of Soviet-era heavy industry, and the changed structure of the economy enabled it to profit from selling emission quotas. Despite formally meeting the Kyoto targets, the Estonian economy is still very carbon-intensive and Estonia is among the biggest per capita polluters in Europe.⁵ In its recent report, the State Audit Office of Estonia found that the Estonian government has not set clear objectives in fighting climate change, lacks a solid action plan for coordinating the reduction of greenhouse gas emissions, does not know how effective the emission reduction measures used so far have been, is not able to predict emission volumes in the future, and has not used the emissions trading system to provide incentives for enterprises to reduce pollution.⁶

While various environmentalist groups keep pushing for better policies, the general public does not appear to take the topic too seriously. Public discourse in Estonia focuses on the question of whether global warming really exists and whether it is due to human activity. Many people, including prominent politicians and opinion leaders, regard global warming either as a “matter of faith,” a “political game,” or a “profitable business.” Indeed, an opinion frequently encountered in the media is that Estonia would only benefit from warmer weather and improved conditions for agriculture and tourism.

The government argues that European countries, including Estonia, need to help developing countries cope with climate change – not least because of the various ways (immigration, violence, and terrorism) in which difficulties in developing countries affect Europe and Estonia. The government has not advanced clear visions on who should bear the costs of fighting climate change in developing countries, and seems content to leave this question for bigger powers to decide. Its own efforts focus on providing assistance to nations that have suffered in natural disasters (e.g., Haiti). Estonia continues to observe principles of sustainable development in its aid programmes targeting developing nations.

¹ Opening Remarks by Foreign Minister Urmas Paet at the conference Opportunities for Green Industry in Estonia, 20.05.2010, available at: <http://www.vm.ee/?q=en/node/9488> (last access: 01.06.2010).

² Kristin Aasma: Kopenhaageni kliimakonverents: keskmise temperatuuri tõus jäägu alla 2 kraadi, Öhtuleht, 20.12.2009.

³ State Chancellery of Estonia: Informatsioon ja Eesti seisukohad Euroopa Ülemkogu 25. ja 26. märtsi 2010. a kohtumiseks, available at: http://www.riigikantselei.ee/failid/100318_VV_seisukohad_K.pdf (last access: 01.06.2010).

⁴ Ibid.

⁵ National Audit Office of Estonia: State’s efforts of reducing greenhouse gas emissions: Summary of audit results, 26.11.2009, available at: <http://www.riigikontroll.ee/tabid/215/Audit/2125/WorkerTab/Audit/WorkerId/49/language/en-US/Default.aspx> (last access: 01.06.2010).

⁶ Ibid.

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Estonia**Estonian economy beyond the Euro: questions abound**

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Qualifying for the Euro amidst the economic tumult¹ is an extraordinary achievement, and in the overall European context, Estonian budget and public debt figures are indeed “sheer magic.”² As a “poster child for austerity,” Estonia could pay all its public debts and still have reserves left over. Equally notable is the stoicism of the Estonian people in enduring the government’s drastic spending cuts and falling real wages. There have been no major protests or riots – in fact, the government’s popularity has been on the rise since summer 2009. The Commission’s positive decision on Estonia’s Euro-eligibility lends additional “post hoc” legitimacy to the government’s austerity measures, and is likely to boost support for government parties in the March 2011 general elections.

However, there are few reasons for euphoria. In 2009, Estonia’s GDP fell by nearly 15 percent, and unemployment now approaches 20 percent. Opinions diverge on how quickly the economy will recover and how accession to the Eurozone will affect economic performance and the labour market situation. The Organisation for Economic Co-operation and Development (OECD) (which invited Estonia to join the organisation in May 2010) has issued an optimistic forecast, predicting 5 percent economic growth in 2011. The expectation of moderate growth seems to be widely shared, and several analysts claim the crisis helped to improve the structure of the economy. However, more critical voices suggest that a combination of an overvalued currency, lagging productivity, and weak domestic demand will result in anemic growth, long-term high unemployment, growing social problems, and possibly, waves of emigration.³

In May 2010, public debate on the Euro quickly shifted from the question “Will Estonia qualify?” to “How will the Euro affect the economy?”. The main message in the Estonian media is that the Euro is no panacea. However, Eurozone accession is expected to cement macroeconomic stability, increase investor confidence, facilitate trade and positively distinguish Estonia from its neighbours.

¹ See the Estonian chapter on the European economic policy and the financial and economic crisis (chapter 3).

² Rainer Kattel: Should Greece Follow Estonia’s Example?, 21.04.2010, available at: http://www.networkideas.org/news/apr2010/news21_Rainer_Kattel.htm (last access: 01.06.2010).

³ Ibid.

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All questions refer to the position/assessment of your country's government, opposition, political parties, civil society organisations, pressure groups, press/media, and public opinion. Please name sources wherever possible!

1. Implementation of the Lisbon Treaty

On the 1 December 2009 the EU-reform ended with the entering into force of the Lisbon Treaty. However, the new treaty provisions still have to be implemented. Some procedures and conditions have to be determined. In other cases, procedures, power relations, and decision-making mechanisms will change due to the new provisions.

- How is the work of the new President of the European Council, Herman Van Rompuy, assessed in your country? Which changes to the role of the rotating council presidency are expected?
- How is the work of the new High Representative of the Union for Foreign Affairs and Security Policy, Catherine Ashton, assessed in your country? Please take into particular consideration both her role within the European Commission and her relationship to the Council of the European Union.
- On 25 March 2010 a "Proposal for a Council Decision establishing the organisation and functioning of the European External Action Service" was presented. How is this concept perceived in your country? Which alternatives are discussed?
- On 31 March 2010 the European Commission presented a proposal defining the rules and procedures for the European Citizens' Initiative (ECI). What are the expectations for the ECI in your country? What are the various positions concerning the rules and procedures?

2. Enlargement and European Neighbourhood Policy

The European Commission has given its opinion on Iceland's application for EU-membership and a decision from the Council is expected before the end of June. Croatia seems to have settled its border dispute with Slovenia. Against this background:

- Which countries does your country expect to become members of the European Union in the next enlargement round? What are the opinions in your country on the membership of these countries?
- How are the membership perspectives of those countries discussed, which are not expected to become a member in the next enlargement round?

The Eastern Partnership and the Union for the Mediterranean were the last major projects dealing with the European neighbourhood:

- How are these projects assessed in your country?

3. European economic policy and the financial and economic crisis

The European Council agreed on 25/26 March on the key elements of the Europe 2020 strategy, the successor of the Lisbon strategy. While not being on the formal agenda the economic and financial situation in Greece was discussed. The European Council agreed on a finance package combining bilateral loans from the eurozone and financing through the International Monetary Fund.

- How is the finance package for Greece assessed in your country? Are there any opinions on the process, how the agreement on the package was reached?
- Which lessons should be drawn from the Greek case for a reform of the Stability and Growth Pact?
- How is the idea of "a strong coordination of economic policies in Europe" perceived in your country? What concepts of an European economic governance are discussed in your country and which role do they assign to the Euro group?
- How is the Europe 2020 strategy discussed in your country? What are the priorities for the Europe 2020 strategy from your country's perspective?

4. Climate and energy policy

The climate conference in Copenhagen took note of the Copenhagen Accord but did not reach a binding agreement. The next conference of the parties (COP 16 & CMP 6) will take place at the end of November 2010.

- How is the Copenhagen conference assessed in your country? Please take into consideration the negotiation strategy of European Union and the results of the conference.
- Does the European Union need to change its own energy and climate policy in order to give a new impulse to the international negotiations?
- Is a global agreement within the UNFCCC the best strategy to fight climate change? If not, which alternative strategy should the European Union follow?
- What is your country's position on financing mitigation and adaptation efforts in developing countries?

5. Current issues and discourses in your country

Which other topics and discourses are highly salient in your country but not covered by this questionnaire?