

## **Estonia**

### **The EU New Member States as Agenda Setters in the Enlarged European Union**

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The publication is a product of the Open Society Institute – Sofia within the European Policies Initiative (EuPI) and the project “The EU New Member States as Agenda Setters in the Enlarged European Union”. This EuPI project has been implemented in close partnership with EUROPEUM Institute for European Policy, with funding provided by the Open Society Institute – Sofia.

**About EuPI**

The European Policy Initiative (EuPI) aims at stimulating and assisting the New Member States from CEE to develop capacity for constructive co-authorship of common European policies at both government and civil society level. As a new priority area of the European Policies and Civic Participation Program of Open Society Institute – Sofia, EuPI will contribute to improving the capacity of New Member States to effectively impact common European policies through quality research, policy recommendations, networking and advocacy. The initiative operates in the ten New Member States from CEE through a network of experts and policy institutes.

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## About the publication

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The objective has been to map the positions and level of activity of the ten new EU Member States on a number of issues on the EU agenda; identifying the factors and drives behind these positions; looking at the level of political and public consensus and the influence of major stakeholders; outlining coalition patterns within the EU and, finally, trying to provide an outlook on possible change of these positions.

The countries have been classified on each of the policy issues as “Policy Takers”, “Policy Killers” or “Policy Drivers”, depending on their particular position and level of activity. In the classification of this study, Policy Takers are those states that usually follow the mainstream in the EU and in general accept whatever is offered from the EU. The Policy Driver is a country that assertively promotes an issue at EU level. A Policy Killer is a country that actively opposes the policy in question.

The research has been carried out by individual researchers in each of the ten new members on the basis of specially designed methodology, developed by EUROPEUM and major input from EuPI/OSI-Sofia. The seven policy areas under research are: I. Internal market/Lisbon Strategy; II. Minority integration and citizenship issues; III. Energy and climate change; IV. Budget review and CAP Health Check; V. EU foreign policy and enlargement; VI. Freedom, Security and Justice; VII. Institutional issues.

The research was carried out primarily in the period September 2008 – December 2009, but there may be references beyond this period. Some positions and circumstances described in the reports may have changed since the information was last made available to the researchers or reached the stage of publication.

The researchers’ findings are published in ten country reports on each of the New Member States: Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia.

The structure of the country reports includes an overview of the country’s performance as an EU member and seven chapters following the seven broad policy areas. Each chapter contains an overview of the position of this country in the area, including the top three national priorities. Then the chapters provide in-depth analyses, information and prognoses on a set of issues (defined as general and specific) within each of the seven policy areas.

A comparative report, based on the ten country reports, was produced to highlight the project’s findings.

The views expressed in the reports are those of the authors and do not necessarily reflect the views of the Open Society Institute – Sofia.

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**Estonia**

**The EU New Member States as Agenda  
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  - 2.2 Free movement of workers across the EU and transitional periods
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## **Estonia in the EU: An overview**

Estonia started its participation in the EU with attempts at active participation, but during recent years Estonia's participation has changed to more passive and less participant. When possible, Estonian representatives prefer supporting the majority opinion. Estonia prefers policies supporting competitiveness and sufficient economic growth, continuing the deregulation and liberalisation of the Internal Market, which enables the Member States to maximise the use of resources for the creation of better competition conditions for both enterprises and citizens.

Estonia supports all the main EU initiatives: Lisbon Treaty ratification, ongoing enlargement and new security initiatives. Estonian participation in everyday matters is focused on the topics that most influence Estonian society and economy. In Estonia's opinion, more attention should be given to research and development integration to make Europe more competitive globally.

Estonia is in most areas a Policy Taker or a Policy Supporter. In some areas Estonia is a conditional Policy Taker or Supporter, but very rarely has its own policy initiative. In some areas like climate and energy questions, Estonia is a conditional Policy Taker, satisfied with general policy aims if the specific Estonian circumstances are understood. Estonia is also a potential Policy Opposer if its interests are not met (for example in energy policy). Estonia can be a Policy Killer in areas where new rules are seen working against market principles (tax harmonisation, for example) or forcing states into solidarity on an unreasonable basis (pollution quotas). Estonia is a Policy Driver in very few cases, mainly concerning integration of databases or rules, setting up electronic databases, etc.

In CAP and budgetary issues Estonia can be considered both as a Policy Supporter and a Policy Taker. The Estonian government would like to create an image of a constructive pragmatist who does not talk much or all the time, but when expected to comment on some issues, the positions and propositions are well thought through and thoroughly prepared

In the last year Estonia has faced several budget cuts, reducing ministerial salaries and representation funds by approximately 15-20%. The main cost-cutting areas have been reducing the participation of ministerial specialists in EU working groups and committees; they have been replaced by diplomats from the Estonian Representation in Brussels. Also, planned EU-related trainings and state funded research studies have been reduced. Ministries are additionally cutting the number of specialists by approximately 8%, and redistributing duties. The Estonian government is also preparing and negotiating for possible EU financial support during the economic crisis.

The main focus will be placed on fulfilment of the Maastricht Criteria and getting the ECB's and the Commission's support for rapid accession to the Euro zone. Accordingly, Estonian representatives will be ready for compromises in other areas. Intrastate actors are quite united on two EU-related financial questions: attempts to fulfil the Maastricht Criteria, and getting EU structural support in 2009.

In general, Estonian coalition building will follow the same principles as before: coalitions are either based on overlapping interests (ad hoc), regionally based (Baltic states) or derive from a long-term partnership (UK). Estonia is also joining the New Member States' soft coalition to get faster access to Euro-adoption. Estonia is ready for more compromises with old/big Member States to find support for EU economic support and Euro-adoption.

Relations with the EU are developing as historical relations with the USA are weakening: both president Obama and Secretary of State Clinton are seen as not fully understanding the CEE interests in and commitment to US-Russia relations.

## I. Internal market and Lisbon Strategy

(Growth and jobs in EC work plan and policy strategy)

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### 1. Overview

During the period 2000–2006 the average economic growth in Estonia has been faster than the EU average, but it was replaced by a sudden and deep decline in the second half of 2008, when GDP decreased by more than 3%.<sup>1</sup> The exceptional economic growth of recent years has been primarily supported by increases in domestic demand and assisted by increased private consumption and growing investments (Ministry of Finance data). Medium term expectations for the Estonian economy are optimistic, although the risk of a long-term slowdown has increased. The precondition for a continued long-term growth involves maintaining productivity growth. The long-term aim of the Estonian economic policy is to increase income level close to the level of the old EU Member States.

Estonia's greatest strength has been labour utilisation. This is supported by both the high percentage of the working age population (which will start to decrease significantly in the coming years) as well as employment, which is higher than the European average.

Inflation has also been problematic (over 10% per year), but it has started to drop during the global financial crisis. As fulfillment of Maastricht criteria seems possible in 2009-2010, the government policy is aimed to keep inflation and budget deficit under control.

In order to increase prosperity in the future, first of all the productivity of Estonian enterprises and of labour should be increased. Simultaneously, the prerequisites for economic growth and competitiveness include a stable macro-economic environment, favourable investment conditions for the private sector, a moderate tax burden, conservative fiscal policy and the adoption of the Euro in a mid-term perspective.

The government has openly announced that the economic pressure has been caused by the cyclic nature of economy and turbulence in global financial market. Therefore, no special measures are planned. Reforms consist of finalisation of labourmarket regulations, simplification of the creation of private companies and speeding up the legal system.

The global crisis is not considered to be dangerous for the national currency or for the implementation of the budget.

### The three priorities:

- Continuing the deregulation and liberalisation of the Internal Market, which enables the Member States to maximise the use of resources for the creation of better competition conditions for both enterprises and citizens. Estonia supports initiatives aiming at removing the remaining obstacles to the functioning of the Internal Market, including the free movement of persons.

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<sup>1</sup> Average real economic growth in the last 10 years has been approximately 7% per year. During the period 2000–2006, Estonian economic growth was the fastest among European Union countries — averaging around 8% per year. The annual growth slowed to 7.5% in 2007, but remained higher than GDP growth. According to the 2008 summer forecast by the Ministry of Finance, domestic demand in Estonia will be falling in 2008 due to decrease in both private consumption and investments. In 2009, economic growth shall increase again reaching 2.6% due to renewed growth in domestic demand and increased exports.

- Carrying out of the objectives of the EU's Growth and Jobs Strategy (the Lisbon Strategy), a critical analysis of the fulfilment of the Strategy in 2010, and the establishment of clear and ambitious new goals to strengthen competitiveness in the following cycle. The Estonian Action Plan for Growth and Jobs 2008–2011, approved by the Government on 9 October 2008 includes 4 prioritised challenges<sup>2</sup> and should, among other objectives, increase the productivity of Estonian enterprises and both the productivity and flexibility of labour as the cornerstones of Estonia's economic competitiveness.
- Adoption of the Euro — the first, most realistic estimate has been set on 2011. Practical preparations for the Euro changeover started after the Cabinet meeting of 15 January 2004, when the government of the Republic of Estonia set the goal of being technically ready for the introduction of the Euro by the middle of 2006, which would enable transition to the Euro on 1 January 2007. Currently the date has been postponed. To be able to adopt the Euro, the Estonian government has to solve the problems with the budget deficit and inflation.

The target year has been moved every year since 2006, accordingly in 2008 it was planned to fulfil the criteria in 2009 and start using the Euro from the year 2010.

Estonian priorities are motivated by coalition agreement and image-developing purposes on the EU level. As the governing coalition is fully liberal in economic questions, they support all possible liberalisation of the internal market. Even when the practical success of EU liberalisation seems complicated, the Estonian government considers it important to build up a clear image of "Estonia, the most liberal of Member States".

### **Initiative and coalition-making**

Generally, the Estonian government supports the liberalisation of economic policies and the growth of the unregulated market in the EU Internal Market.

Estonia's main cooperation and coalition partners include states with similar values (e.g. UK and Ireland).

Regional neighbourhood and joint challenges are the second reason for regular cooperation and exchange of opinions (i.e. with the Baltic Sea states: Latvia, Lithuania, Finland, Sweden, Poland and Germany).

Ad hoc coalitions: on numerous questions Estonia has joined ad hoc coalitions based only on similar interests in specific questions.

There are no central guidelines for coalition-making in a thematic area. During the first membership years ideological coalitions with UK and Ireland were dominant, but during recent years they have been replaced by the tactics of consultations held on regional bases (e.g. with Germany, Finland, Latvia, Sweden, etc.). Coalitions are chosen based purely on interests in the concrete question.

### **Existing coalitions**

#### **Strategic cooperation with neighbouring states.**

Examples include:

- Joint meetings of the Estonian Research and Development Council and the Science and Technology Policy Council of Finland (cooperation between Estonia and Finland in the area of research and development in order to bring suggestions to the Government).

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<sup>2</sup> The 4 challenges encompass: 1) Developing an education system which is more adaptive to the needs of the business sector and modernising the labour law for promoting flexicurity of the labour market;

2) Increasing the capacity of the research and development sector and directing it more towards the needs of the business sector;

3) Developing a business and investment friendly environment, which strongly supports innovation and international competitiveness of companies;

4) Increasing the environment-friendliness of the energy sector while ensuring the security of the energy supply and the competitiveness of the energy sector.

<http://www.riigikantselei.ee/?id=73395>

- The Prime Minister of Estonia has commenced the development of strategic cooperation reports with Finland and Latvia. In June of 2008, the authors of the strategic cooperation report in Estonia and Finland presented suggestions to the Prime Ministers for better management of globalisation challenges and mutual help. In the autumn, the Estonian Government will discuss the priorities of Estonian-Finnish cooperation and the principles of implementing the suggestions. Based on those discussions, the measures for regional cooperation will be added to the Estonian Action Plan for Growth and Jobs in 2009.

### **Intra-state communication**

A good example of intra-state communication is and has been the preparation of the Lisbon Strategy's Estonian Action Plans, which has involved close cooperation between Ministries and the active involvement of Government partners and experts. The completion of the Action Plan for Growth and Jobs was coordinated by the competitiveness working group in several Ministries put together by the Secretary of State.

For better co-ordination and intra-state harmonisation Estonia has developed a specific Action Plan for the Lisbon Strategy 2008–2011. The coordinator of both the European Union strategy for growth and jobs in Estonia and its action plan is the Strategy Director at the State Chancellery. Among the goals for Estonia until 2011 are: to increase the Estonian work force to 80% of the European Union average, to increase scientific and development activities up to 2% of GDP and the growth of overall employment to 70.5%.

The Estonian government (a coalition of the Liberal Reform Party, Pro-Patria Conservatives and Social Democrats) has also invited academic and research institutions to participate in the strategic position-preparation process: 3 specific research studies/state procurements in the field of Internal Market and Lisbon Strategy have been ordered from Tartu University, PRAXIS Center for Policy Studies and Tallinn Technical University.

Also joint roundtables with representatives from interest groups, academic groups and civil servants have been organised to develop and introduce the Estonian positions and interest in the Internal Market questions.

Additionally, academic institutions have independently published numerous articles about the field of Internal Market and Lisbon Strategy.

Everyday media coverage has been weak; articles have been mainly issued only by ministry officials to introduce the Estonian national interests and positions. Larger debates in the public have been missing.

Academic and NGO input has not played an important role; according to government reactions the most powerful have been analytical-critical articles in the daily business newspaper "Äripäev".

Academic consultations have been commented on as useful, and further cooperation has been under debate, but in the new, more tense budget situation, active cooperation with academic bodies has frozen.

From the opposition, only the Centre Party has openly defined its position on EU economic priorities and reforms (two others: Greens and Peoples' Union are fighting for their own existence and are focused on specific topics (environment and agriculture) directly linked to their voters).

The Biggest opposition party, the Centre Party, is clearly supporting the national conservative line (similar to the Polish approach in recent years): as long they are in the opposition they will be demanding defence of the national economy, subsidies, moving against new EU initiatives. This self-positioning can be seen as caused by the need to be different from the coalition's positions, as demonstrates the example of the previous coalition where the Centre Party was included and showed support to the pro-integration approach.

## Table of national positions

\*please, refer to the methodology disclaimer in the supplements

Issue	Definition and Outlook	National Consensus	EU mainstream
1. Top three priorities	Policy Taker; likely to remain a Policy Taker	General Consensus, some debating in the government not limiting the general scope of the Estonian EU policy (coalition – a Policy Taker, opposition – national conservative); position not likely to change substantially	Within the mainstream
2.1. Review of merger regulations	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Progressing towards the mainstream
2.2. Free movement of workers	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy, still contradictory estimates by non-governmental experts and opposition	Within the mainstream
2.3. Strategic review of "Better Regulation", Simplification Rolling Programme	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
2.4. Free movement of services	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy due to weakness of opposing arguments and the role of 1991 re-independence experience (i.e. quick and widespread liberalisation)	Within the mainstream
2.6. Taxation harmonisation	Policy Killer; likely to remain a Policy Killer	Consensus on the general policy, supported by business	Within the mainstream
3.1. Small Business Act	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
3.2. Financial retail services	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream

### 2.1. General issues: Review of merger regulations

In company merger regulation questions the Estonian government has quite a restricted motivation:

- 1) Estonian companies are too small to be active actors in the merger process;
- 2) Estonia is not actively against big European monopolies as long they are not state owned;
- 3) in most other scenarios Estonia is ready to be a Policy Taker.

Additionally, the Estonian government supports the Commission's growing role, as believing it is counterbalancing bigger Member States in this question. Estonia itself is not planning to play any important role in the question.

### 2.2. Free movement of workers across the EU and transitional periods

According to World Bank data, in 2004-2005 a little more than 1%<sup>3</sup> of the Estonian working age population went to work in the three countries that opened their labour markets in 2004 (UK, Ireland, Sweden). In ten years' time Estonia will have to deal with a massive decrease in young people entering the labour market.<sup>4</sup> The Estonian Government plans to implement different measures to spread information and share

<sup>3</sup> This is a substantially lower percentage than occurred in the other Baltic States, but it does not include the Estonians who work in Finland (mainly commuting workers).

<sup>4</sup> For example, Statistics Estonia predicts that in 2015 approximately 25 000 fewer people (aged 20-24) will enter the labour market than in 2008. The 15-19 age group is projected to have decreased by 36 000 people in 2015.

knowledge to facilitate and promote the return of people (back to Estonia) who have gone abroad to gather knowledge and experience there.

Estonia supports initiatives aiming at removing the remaining obstacles to the functioning of the Internal Market, including the free movement of persons.

To guarantee free movement of workers, Estonia must continue reforms to further interlink research and development with the economic operators and increase labour market flexibility and continue with an active labour market policy.

The Estonian Government is convinced that in order to improve the competitiveness of the European economy, it is important to increase the flexibility of labour relations, at the same time ensuring the social protection of the employee by efficient labour market and social security measures. According to the Estonian position, flexible labour relations can be supported at the European Union level primarily by exchange of best practices and development of soft law. Estonia supports the strengthening of the flexicurity dimension in the EU employment guidelines and in the national reform programmes of the Lisbon Strategy. Thereby the flexibility of working time remains an important factor in the development of flexible labour relations. Estonia, in order to ensure adequate protection for employees, supports the tightening of the conditions of an individual opt out when amending the directive on working time.

The described priorities, while being welcomed by the European Commission (and other Member States) and seen as both practical and achievable by the government, have been criticised both by experts and the opposition as dangerous for Estonian competitive economic advantages and not contributing in any way to the long-term sustainability of the Estonian economy. Several experts have also openly pointed out that the Estonian economy may not be able to sustain itself once the internal market is fully opened.

Estonia is supporting fast and efficient reforms to guarantee the free movement of workers and does not see any transition periods as necessary.

The practical situation shows, as in most CEE countries, that labour migration is much higher on the "out of Estonia" side. Experts estimate that approximately 8-10% of the entire Estonian labour force is occupied outside Estonia. While the amount of labour force working outside has stayed at ca. 60 000 persons, the incoming labour force has been less than 8 000.

The government forecasts that the labour force will start to return, which contradicts many independent experts who are of a contrary opinion.

Estonia is a Policy Taker on this issue.

### **2.3 Positions on the Strategic Review of the "Better Regulation" package (COM(2006) 689) and ECOFIN Conclusions, 22 January 2008; EC Simplification Rolling Programme after screening the acquis**

The Estonian government welcomes the Commission initiative and aims to improve and simplify the quality of legislation.

The Estonian government supports the withdrawal of pending legislative proposals, simplification of the existing legislation and reducing the administrative costs imposed by the legislation.

In future, the Estonian government is ready to actively support the packages of improving policy making and legislation quality.

The positions of the government are still quite general (and reflecting "wishful thinking") as real steps and evidence of simplification have not so far been introduced in official interviews or in official statistics.

On the question of "Better regulation", Estonia is a Policy Taker.

### **2.4 General views of the free movement of services as enshrined in the current service directive**

The Estonian government and also previous coalitions have been very supportive of complete liberalisation and market opening due to the historical experience after re-independence in 1991, which showed that the liberal approach is the fastest way to widespread economic growth.

“Economic growth must be as rapid as possible”: sustainability has never been the central question for Estonian social groups, as during the last 20 years of economic and social reforms, the winners have been those who have invested in short-term growth and not in long-term profit and sustainability.

This Estonian historical experience can also be read out of the public support to political parties supporting complete liberalisation of the economy (Reform Party and Pro-Patria), occupying almost half of the seats in the national parliament *Riigikogu*.

The opposition and some independent experts have raised questions about sustainability and long-term effects, but as public opinion has been in favour of rapid growth of consumption, some parties (like Social Democrats) have turned out to be liberals and others have turned their focus onto other questions.

Even in the situation of economic decline, the government and the leading political elite have put all their hopes in the “miracles” of further market liberalisation.

The Estonian Government finds it important to implement effectively the framework directive on services. For that purpose, an information system for the intensification of administrative cooperation between the competent authorities of the European Union must also be launched in Estonia. It is also necessary to create a single contact point for the better servicing of service providers and consumers, providing access to the information regarding requirements and enabling the provision of services, above all, by means of electronic media.

Estonia stresses the need to continue work at the Community level with regard to those service sectors remaining outside the scope of the Services Directive, including network operators, in order to broaden the possibilities offered by the internal market.

Financial services. Estonia finds it important to create a fully integrated financial market consolidating the existing Community legislation and minimising regulatory differences. The goal is to contribute to the single integrated market in financial services functioning more effectively, reducing administrative burden, avoiding over-regulation, and ensuring the accessibility of the services.

Transport services. Estonia supports full and rapid opening of the market for land transport services in the entire European Union. Following the principle of reciprocity, Estonia has opened its own cabotage market to all those Member States that allow Estonian road transporters to perform cabotage within their territory.

Media services. Estonia supports flexible implementation of the new EU directive on audiovisual services; at the EU level, establishing requirements restricting media concentration. In developing new requirements, differences in the media sectors of the Member States and the needs to create favourable conditions for the development of new media services should be taken into consideration.

Social services. Estonia finds it important to modernise social services in order to guarantee accessibility, quality and sustainable funding of social services. Estonia supports an approach where the general principles, objectives and guidelines for the provision of social services of general interest are agreed at the EU level, but where each Member State is, under the principle of subsidiarity, entitled to establish more specific regulations and standards for the organisation of these services according to the specific situation and needs of the country or region.

Health services. Estonia supports the EU measures in the field of health services, in order to enable the provision of safe, high-quality and efficient cross-border health services (e.g. the reimbursement of cross-border health services, liability insurance for service providers). Estonia supports the creation of a European network of centres of reference in order to make the treatment of rare diseases more efficient. Questions regarding the structure of the health care system, the establishment of the providers of health services, the list and pricing of the services and the quality standards must remain in the competence of the Member States, as these are directly linked to the sustainability of the health care system. Estonia considers it important to enhance practical cooperation in the fields of providing necessary information to citizens, service providers and competent authorities; developing e-health services at the European Union level; movement of health care professionals and recognising prescriptions.

To summarise: Estonia wants to clarify the regulation regarding the reimbursement of cross-border health services and improve the availability of these services to citizens.

In most areas of the free movement of services Estonia is supporting the planned measures, and can be considered a Policy Taker.

## **2.5 EC Simplification Rolling Programme after screening the acquis**

The Estonian Government supports the simplification rolling programme as Estonia hopes it will raise EU competitiveness, reduce administrative costs and the use of labour resources.

The Simplification Rolling Programme is seen as an essential element to ensure the success of the Lisbon Strategy.

As the Commission strategy has been in development and action for 4 years already, the Estonian government is hoping for faster progress.

The Commission's first and second Strategic reviews of Better Regulation are considered useful and necessary. Estonia is supporting the inclusion of 15 new initiatives into the second Strategic review. Estonia supports all of the Commission's methods (repeal, codification, recasting, etc.).

In this question Estonia is a Policy Taker.

## **2.6 Positions on taxation harmonisation**

The Estonian government plans to continue the current policy of shifting the tax burden from taxing labour to taxing consumption until 2009. For that reason Estonia has decided to decrease VAT specifications and raise state fees. The amendments should have a positive impact on the potential adoption of the Euro, and should not have a long-term effect on inflation. Later, when Estonia is likely to meet the Maastricht convergence criteria, there will be no additional inflation resulting from increased excise rates.

Given the large-scale changes in fiscal policy during recent years, the Government is not planning any reforms of a similar scale in the near future.

Since becoming a member of the EU, Estonia has always been against any tax harmonisation initiative on the EU level. This position especially concerns corporate taxation, which has been seen as a cornerstone of Estonian attractiveness for foreign investors. This has also been the most central electoral promise of the current Prime Minister's party (Mr. Andrus Ansit, Reform Party): "We keep our advantages in the corporate taxation field to attract investments."

But as the Estonian VAT level (18%) is slightly lower than the EU average, the current government is also against the initiatives harmonising VAT level if it is higher than 18%.

In this question Estonia is clearly a Policy Killer.

## **3. Specific issues**

### **3.1 Small Business Act (SBA) (COM(2007) 592)**

Most of Estonian's private enterprises are small or medium-sized (SMEs, having 0-249 employees): companies employing 1000 or more employees are exceptional. Estonia actively promotes the participation of small and medium-sized enterprises in the everyday life of the EU, especially as SMEs make up ca. 90% of enterprises in the EU. The number of SMEs has been steadily growing at the rate of about 6% per year (since 2000s). In 2003, SMEs employed 77% of people active in the business sector;<sup>5</sup> their role has been especially important in creating new jobs. In 2008, the biggest number of SMEs employed up to 9 persons: 65%, compared to 81% in 2005.<sup>6</sup> In 2007, 93% of SMEs were based on Estonian capital; 74% of SMEs reported positive profits, and 42% of active SMEs reported an annual income of greater than 3 million EEK (about EUR 192

<sup>5</sup> Ettevõtlike Areng Eestis Aastal 2003 (*The Development Of Business In Estonia In 2003*) (2005); [Http://www.mkm.ee/doc.php?10865](http://www.mkm.ee/doc.php?10865)

<sup>6</sup> Eesti Väikese Ja Keskmise Suurusega Ettevõtete Arengusuundumused, Uuringu Aruanne — 1750 Väikese Ja Keskmise Suurusega Ettevõtete (*Research Report Of The Developments Directions Of 1750 Estonian Smes*) (June 2008); Survey By Company Saar Poll: [Http://www.mkm.ee/failid/1vke\\_2008\\_aruanne\\_.pdf](http://www.mkm.ee/failid/1vke_2008_aruanne_.pdf)

000), compared to 36% in 2004.<sup>7</sup> By 2008, the number of SMEs active in the social sector (13% of total) had increased most of all, least in retail services/trade; SMEs' role outside the main economic area — Tallinn and Harju County — had increased considerably; however, the situation has become somewhat problematic with export SMEs (decrease in numbers, currently amounting to 30% of the total of SMEs, most of them in North Estonia). Nevertheless, some of the advantages of Estonian SMEs in entering foreign markets include a competitive price and high quality, although tough competition outside is at the same time the most restraining factor.

Taking all the above into consideration, Estonia considers it very important to observe the "think small first" principle both in shaping of business support measures and in legislative proposals, even more so now that the economic situation has worsened and profit estimates have decreased considerably for the coming year(s).

In shaping the business environment, it is necessary to map and analyse all norms restricting the operating rights and make the application for operating rights via electronic channels as convenient and fast as possible for the entrepreneur. The analysis of operating rights and the simplification of the application thereof also help to create a single contact point.

In order to further strengthen the growth and competitiveness of SMEs it is important for Estonia to agree on the essential elements of the "Small Business Act" for Europe.

In this issue Estonia is a Policy Taker.

### **3.2 Financial retail services (SEC(2007)1520)**

Retail financial services represent an important element in supporting the single market's global competitiveness.

According to the Estonian position, attention must be paid to securing the financial stability of the Member States, especially by harmonising the practice of financial supervision, supervising cross-border financial groups, and eliminating flaws in the safety net.

Financial supervision and the organisation of crisis prevention and management in the EU must keep pace with the deepening financial integration. On the Estonian financial services market, banks in foreign ownership are dominant, which means that the most important topic for Estonia is to ensure financial stability in the host country. Consequently, it is necessary to concentrate on improving the organisation of financial supervision in the EU, and on developing common principles for the prevention and management of possible cross-border financial crises.

Estonia also finds it important to elaborate a proposal for a new solvency directive in the insurance sector, which would enhance the protection of policyholders and beneficiaries, while at the same time fostering competitiveness of European insurers and a better distribution of capital resources.

#### **Conclusion:**

Generally Estonia is a Policy Taker, especially clearly in internal market and Lisbon Strategy issues, aligning with the EC and promoting the harmonisation of policies with other EU Member States. There are not many sub-areas where Estonia prefers retaining a Member State's discretion in decision making in order to guarantee competitiveness and sufficient economic growth (e.g. labour from third countries).

#### **Main sources for the Estonian positions on internal market and Lisbon Strategy reforms:**

- Estonia's European Union Policy 2007–2011.  
[Http://www.riigikantselei.ee/failid/elpol\\_2007\\_2011\\_en.pdf](http://www.riigikantselei.ee/failid/elpol_2007_2011_en.pdf)
- Action Plan For Growth And Jobs 2008 – 2011 For The Implementation Of The Lisbon Strategy (Oct. 2008):  
[Http://www.riigikantselei.ee/failid/2008\\_10\\_09\\_estonian\\_action\\_plan\\_2008\\_2011\\_en\\_final.pdf](http://www.riigikantselei.ee/failid/2008_10_09_estonian_action_plan_2008_2011_en_final.pdf)
- Suggestions And Recommendations On Competitiveness In The Report Issued In December 2007 By The Commission Of The European

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<sup>7</sup> Ibid.

Communities: [http://ec.europa.eu/growthandjobs/pdf/european-dimension-200712-annual-progress-report/200712-countries-specific-recommendations\\_et.pdf](http://ec.europa.eu/growthandjobs/pdf/european-dimension-200712-annual-progress-report/200712-countries-specific-recommendations_et.pdf)

- Ettevõtluse Areng Eestis Aastal 2003 (*The Development Of Business In Estonia In 2003*) (2005): <http://www.mkm.ee/doc.php?10865>
- Eesti Väikese Ja Keskmise Suurusega Ettevõtete Arengusuundumused, Uuringu Aruanne — 1750 Väikese Ja Keskmise Suurusega Ettevõtet (*Research Report Of The Developments Directions Of 1750 Estonian Smes*) (June 2008); Survey By Company Saar Poll: [http://www.mkm.ee/failid/1vke\\_2008\\_aruanne\\_.pdf](http://www.mkm.ee/failid/1vke_2008_aruanne_.pdf)

## II. Minority integration and citizenship issues

1. Overview
2. General Issues:
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  - 3.1. Formulation of action plans to improve housing conditions, create possibilities for employment and guarantee affordable health care and education for Roma;
  - 3.2. Institutionalisation of European policy on Roma by establishment of a Roma Unit within the EC;
  - 3.3. Position and policies related to Commission Communication COM(2008) 420 final from 2 July 2008 on Non-discrimination and Equal Opportunities: A Renewed Commitment and also Community Instruments and Policies for Roma Inclusion, Staff working document accompanying Commission Communication COM(2008) 420.

### 1. Overview

In 2007, the state programme "Integration in Estonian Society 2000-2007" came to an end. For the next six years, the state integration policy is based on "Estonian Integration Strategy 2008-2013" (EIS). The Integration Strategy acts both as a strategy and action plan for government institutions and other institutions in the field of integration.

Estonia is supporting further development of minority integration and inclusion of national and cultural minorities. Estonia puts special efforts on integrating historical minorities in Estonia: namely, the Roma people and the Russians.<sup>8</sup>

Estonia has developed a special programme for the integration of historical minorities. Estonia values the preservation and granting of linguistic and cultural rights to minority ethnic groups as an important aspect of integration.

Estonia has contributed mainly into regional minority integration. The reasons for this self-limitation lie in the high level of local integration challenges and insufficient competence about distant minority problems in other areas of the EU.

The general viewpoint on ethnic relations and integration is that Estonia welcomes the exchange of experiences and best practices among EU Member States but ascertains that decision making should remain in the scope of each Member State only. Thus, Estonia can be considered a National Policy Promoter.

The general model for Estonia in regulating minority issues is based on integration.

More than 120 nationalities are represented in Estonia: 68.8% Estonians, 25.6% Russians, 2.1% Ukrainians, 4.5% others.

Some of these ethnic minorities have gathered into cultural associations that operate in the form of non-profit associations. According to the Estonian Constitution the ethnic minorities have the right to establish their cultural autonomies.<sup>9</sup> So far, the Estonian Swedes have followed the example of Ingerian Finns and created an organisation on the basis of the Cultural Autonomy Act that grants these ethno-cultural minority groups a legal status, enabling them to communicate directly with the state, and also gives them the right to apply for funding for their activities from the state budget.

All minorities living in Estonia are guaranteed opportunities for the preservation of their language and cultural distinctiveness, above all through the organisation of education and social activities in their mother tongue.

### The three most important issues include:

1. Development of the integration plan for historical minorities;
2. Increasing the number of citizenship holders — Estonian citizenship as the source of national identity and self-realisation;

<sup>8</sup> Quite uniquely in Europe, Estonia differentiates its historical minorities from later immigrants (i.e. people who have come to Estonia mainly after WWII). This issue has, however, created conflicting feelings among other European countries.

<sup>9</sup> Article 6 of the 1993 law entitles non-citizens the right to participate in the activities of "cultural autonomies." Further, article 2(1) of the law prescribes that "cultural autonomies" may be founded by Germans, Russians, Swedes, and Jews or by a group of three thousand Estonian citizens of another minority origin.

3. Addressing more adequately the needs of the Russian minority in Estonia.<sup>10</sup> Estonia has not developed a consistent policy aimed at bringing the Estonian-speaking and Russian-speaking communities together. This can be done for example by the creation of culturo-political "spaces" in the media/public broadcasting; easing the language situation and the question of "grey passports" by offering free language and civil studies courses to prepare non-citizens for the two-stage citizenship examination, etc. From the positive perspective, the "permanent inhabitants" of Estonia have from the very beginning had access to education, pensions, unemployment and other subsidies equal to Estonian citizens.

### **Initiative and coalition-making**

Estonian coalition-making tactics do not include engagement in permanent coalitions, it is rather domain- and question-specific. However, themes relating to ethnic relations are still mainly in the competence of the Member States and the level of EU interference is low. Elaborating on the latter fact, there is a National EU Contact Point on Integration in the Office of the Minister for Population and Ethnic Affairs, to whom all integration questions are referred (it works both as a consultative and advisory body). The Office then prepares answers and positions on integration issues for the European level. A great part of EU-Estonia communication goes through the Ministry of Internal Affairs, to an extent through Ministry of Foreign Affairs and its permanent representation and representations to various international organisations.

In general, the Estonian positions are similar to those of the other Baltic States and CEE countries, however, still depending on concrete questions. The partners are different Ministries responsible for the domains of integration and citizenship.

### **Existing coalitions**

- Network of National Contact Points on Integration: issues include Common Basic Principles on Integration, Common Agenda on Integration, Hague Programme, etc.
- Baltic States: more ad hoc in nature, depends on specific issues.
- CEE: more ad hoc in nature, depends on specific issues.
- More substantial cooperation with other integration front-speakers: UK, Sweden, Denmark and others.

### **Intra-state communication**

Estonia has a special Bureau and Minister for Population and Ethnic Affairs responsible for the field (<http://www.rahvastikuminister.ee/?id=11382>).

As integration and minority issues are horizontal themes that touch many other domains, there is quite an intensive communication between different ministries (Internal Affairs, Education and Research, Culture and Social Affairs), their administered institutions (Citizenship and Migration Board (KMA), The National Examinations and Qualifications Centre (REKK) and local municipalities (especially Tallinn and Ida-Virumaa in North Estonia where the concentration of the Russians is the highest).

There exist similarly good relations between the state and several non-governmental organisations (e.g. about 200 native culture associations that receive state support) and universities (to conduct integration monitoring and studies).

As a good example, the compilation of the EIS engaged various stakeholders representing different social sectors. Since 2007, the action plan expert consortium has been consisting of the PRAXIS Center for Policy Studies, Tartu University; the Institute of Baltic Studies; Hill & Knowlton Estonia; Geomedia. The task of the consortium was to support the development of the Integration Strategy through research, strategic consultations, a communications plan and study trips. The activities of the consortium were funded by the European Union. During the process, 200 proposals from citizens, officials and scientists were gathered from the discussion portal [www.osale.ee](http://www.osale.ee).

Other players in the field include:

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<sup>10</sup> Russians: approx. 25% of the population, concentrated in north-east Estonia, forming the largest national group besides the Estonians. The overall percentage of other nationalities is around 30% of the Estonian population.

- Estonian Integration Foundation (<http://www.meis.ee>) — founded in 1998 to manage and administer integration policy and integration projects in Estonia
- Jaan Tõnisson Institute (<http://www.jti.ee/?s=12>)
- Open Estonia Foundation (<http://www.oef.org.ee/et>)
- Estonian Bureau of Lesser Used Languages (EstBLUL) (<http://www.estblul.ee/ENG/index.shtml>) — a non-governmental organisation promoting lesser used languages in Estonia. The promoted minority languages are Yiddish, German, Swedish, Russian, Romani language, Tatar and Finnish; regional languages are Setu language and Võru language. The members of EstBLUL are the organisations of respective language communities as legal persons.
- Presidential Roundtable on National Minorities — includes representatives of national minorities, political parties and researchers who constantly monitor the situation of national minorities and provide advice for changes in legislation and practices in state and local governmental bodies. Minorities may also participate in the discussion on draft legislation (<http://www.president.ee/en/institutions/national.minorities.php>).

The media debate on minority and migration questions is very intensive in Estonia. The main contributors are politicians, civil servants (explaining state positions) and researchers.

There is no special need for minority representation in public offices or parliament. In some aspects the government is even trying to avoid collecting nationality information as it can start uncomfortable debates. Another “problem” is that many people tend to specify their nationality differently depending the situation and need. (For example, an Estonian citizen having one parent of the Russian and another of the Finnish nationality can define him/herself as Finnish, Russian or Estonian depending on the situation.)

## Table of national positions

\*please, refer to the methodology disclaimer in the supplements

Issue	Definition and Outlook	National Consensus	EU mainstream
1. Top three priorities	Policy Taker; likely to become a Policy Driver on certain issues (e.g. issues of historical and Russian minorities)	General Consensus, position not likely to change substantially	Within the mainstream
2.1 The emerging European Roma Strategy (if applicable)	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
2.2 Other minorities' integration issues (if applicable)	Policy Taker; possibly a Potential Policy Driver	Consensus on the general policy	Within the mainstream
3.1 Formulation of action plans to improve housing conditions, create possibilities for employment and guarantee affordable health care and education for Roma	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
3.2 Institutionalisation of European policy on Roma by establishment of a Roma Unit within the EC (which will look at ways to effectively use the different EU funds to more directly target prioritised Roma policies and create, evaluate and help the implementation of the European Roma Strategy)	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
3.3 Position and policies related to Commission Communication COM(2008) 420 final from 2.7.2008 on Non-discrimination and equal opportunities: A renewed commitment and also Community Instruments and Policies for Roma Inclusion, Staff working document accompanying Commission Communication COM(2008) 420	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream

## 2. General issues

### 2.1 The emerging European Roma Strategy (if applicable)

Roma people have lived in Estonia since 1533.<sup>11</sup> In 2005 the number of Roma living in Estonia was estimated to be around 720 (of the total 1.3 million).

In 1991 the Estonian Roma Society/Association of Estonian Roma Culture was founded with the aim to preserve the Roma culture and language, and to cooperate with Roma organisations in other countries. In year 2000 it was reorganised into the North-Estonian Roma Association to improve educational and social conditions of Roma children and young people. In 2002 the Central Estonian Roma Society was founded. One more association, the Roma-Estonian Youth Culture Centre, has been registered in the city of Võru, South Estonia.

The Estonian position on the Roma in Estonian society is that their rights are quite well guaranteed and protected, and their interaction with the wider European Roma community has in no way been restricted. The community of Roma is very small in Estonia but they have participated in several projects in Estonia (incl. language teaching workshops for teachers) and abroad (e.g. together with Finland, Sweden, Poland, Denmark, Lithuania, France and England). The Roma have a positive experience in

<sup>11</sup> In 1841 they were forced to settle in Laiuse parish (Raaduveri village). Before World War II, 743 Romas were counted in Estonia, 60 of them living in Laiuse. They could be regarded as ethnic Estonian Romas. In 1989, 665 Roma were registered in Estonia. The Estonian Roma Society, however, has given an estimate of 1500 members. The 2000 census counted 542 Romas in Estonia, 426 speaking Estonian Romani as their mother tongue, 45 Estonian and 59 Russian.  
[http://ec.europa.eu/education/policies/lang/languages/langmin/euromosaic/et2\\_en.html](http://ec.europa.eu/education/policies/lang/languages/langmin/euromosaic/et2_en.html)

making contacts and networking with neighbouring countries. There exist good relations with the Roma community in Latvia (e.g. Valga-Valka). The North-Estonia Roma Association is a member of the European Roma Information Office (ERIO).

As for the Presidential Roundtable on National Minorities,<sup>12</sup> it has not dealt with the Roma issue more specifically but the chamber of representatives of the Roundtable includes representatives of two Roma organisations.

However, Estonia does see some problems with the Roma community and thus supports the strategies ameliorating the situation of this minority in Europe in general. The problems of Roma in Estonia are by and large the same as in Europe/anywhere else: the Roma community is still disproportionately affected by unemployment and discrimination in the field of education. There are continuously numerous challenges in counselling children with learning difficulties and special educational needs as it does not always reach every student in need.

Estonia can be considered a Policy Taker on this issue.

## 2.2 Other minorities' integration issues (if applicable)

Most of the "hot" integration issues and debates in Estonia revolve around the Russian-speaking minority (consisting of Russians, Ukrainians, Belorussians, etc.). In Estonia there are relatively big regional differences in the level of integration and in the nature of integration-related problems: the mentioned minorities have concentrated into northeast Estonia and into the capital, Tallinn.

As declared in the Estonian Integration Strategy 2008-2013, the process of integration of the population of Estonia is a long-term one and its ultimate goal is a culturally diverse society with a strong Estonian state identity, sharing common democratic values in which, in the public sector, permanent residents communicate in Estonian. Command of the Estonian Language is one of the prerequisites for successful integration. The latter has also been one of the quarrel questions between the Estonian government and the Russian minority: the rigid language tests<sup>13</sup> that needed to be passed in order to obtain the Estonian citizenship have created a situation where the number of "grey passport" holders is still quite big in relation to the whole population.<sup>14</sup> Additionally, due to lack of trust in the Estonian government and democracy, especially after the April 2007 events with the Bronze Soldier, the number of people preferring to take Russian citizenship, rather than Estonian, has increased.

Of all the Russian-speaking Estonian citizens, 80% consider themselves part of the Estonian people, which indicates that there are strong links between citizenship and the sense of belonging to Estonia. Still, having citizenship by itself is not enough to create a sense of belonging, which means that the integration policy needs to consider, in addition to the naturalisation process, more active involvement of well-integrated Russian-speaking citizens in Estonian public life and decision-making processes.

Education, being one of the central areas of integration, is linked with the acquisition of Estonian language and with young people becoming members of the society, as well as their career choices. The national minorities have at the right to obtain basic education (9 grades/classes) in their native language. Unfortunately, Estonian youth and Russian-

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<sup>12</sup> Presidential Roundtable on National Minorities:

<http://www.president.ee/en/institutions/national.minorities.php>

<sup>13</sup> The citizenship exam consists of two parts: the language exam (at least level B1), the exam on the Constitution and civil rights.

<sup>14</sup> "Grey passport" equals non-citizenship – the number of people without citizenship in Estonia in March 2008 was 115 627 (9% of population; source: Office of the Minister for Population and Ethnic Affairs 2007). Over the last 1.5 years the number has decreased by about 13 000. However, Estonian citizenship was given only to about 6500 people; the rest has most probably chosen Russian citizenship, including an increasing number of young people.

These people can vote only at local elections (whereas in Latvia they cannot) and until Estonia joined the Schengen system in December 2007, they could not enjoy the same freedom of movement in the EU as the Estonians. Still, based on Russian law, from summer 2008 onwards these "permanent non-citizens" can enter the Russian Federation without a visa when presenting the foreigner passport issued in Estonia (the same applies to the Latvian non-citizens). Also, Schengen allows Russians to work and move in Europe without restrictions, making Estonian citizenship even less attractive.

<http://www.postimees.ee/250308/esileht/siseuudised/319603.php?eesti-halli-passi-omanikud-kalduvad-eelistama-vene-kodakondsust>

speaking youth manifest little interest in communication and cooperation outside the formal education system, which further separates the two communities.

Compared to Estonians, Russian speakers more often feel indirect unequal treatment on the labour market and in the distribution of wealth. At the same time, in most cases there are negative or exclusionary attitudes towards people of other nationalities, rather than direct discrimination due to one's ethnicity or mother tongue. In addition, the people's limited knowledge of the meaning of unequal treatment is also a problem.

In most cases, employment and salary differences can be explained through regular aspects not related to ethnicity (education, working in town or in the country, gender) and through the knowledge of the language.<sup>15</sup>

The number of new immigrants in Estonia is currently quite small and it has not been specifically studied how they cope, for example, in the labour market. And although it is unlikely that between 2008 and 2013 Estonia will become the destination of mass immigration, there is reason to believe that due to the free movement of people in the European Union and the rapid economic growth, the number of people of foreign descent in Estonia will increase.

In addition to possible workers of foreign descent and their families, the number of international asylum seekers coming to Estonia can also increase as the socio-economic situation in the country improves. According to the information by the Ministry of Internal Affairs, from July 1997, when the Refugees Act came into force, to the end of 2007, 126 foreigners applied for asylum in Estonia. Six foreigners were granted asylum in Estonia and 12 foreigners were given supplementary protection. A compilation of a more specific overview and an analysis based on it was planned for 2008.

Presumably, the problems facing new immigrants are different from those facing the historical minorities — Russian speakers (and Roma) — who have lived in Estonia for a long time. The cultural or language background of new immigrants often differs from that of the Russian-speaking population of Estonia and they have not participated in the integration process aimed at the Russian-speaking population.

### 3. Specific issues

#### 3.1 Formulation of action plans to improve housing conditions, create possibilities for employment and guarantee affordable health care and education for Roma

Estonia supports the steps aimed at preserving minority languages, enhancing (foreign) language studies, and developing of the Indicator of Language Competence. Currently actions have been taken under the aegis of the North Estonian Roma Association to improve the educational and social conditions of Roma children and young people (ca. 105/720).<sup>16</sup> The activities of the Society include cross-border cultural and educational cooperation, adult education, lobbying for the language society, and recently, steps towards creating a development plan for Roma Family Centres.

Estonia sees that some problems do exist in the educational domain, but both the Roma themselves and the government support the approach that Roma children should attend normal schools and classes to guarantee better integration into the society. However, the issues of withdrawal from school before obtaining basic education (9 grades/classes) and not following the schooling obligation at all should be dealt with more carefully. The same applies to enhancing employment among the Roma to raise their standard of living and decrease the number of people living in poverty.

As for schooling and educational matters, there is cooperation between the Ministry of Education and Research and the Estonian Bureau of Lesser Used Languages who organise (international) seminars on the issues of Roma education management and administration in Europe; input is thereby provided into preparing positions on the European Council project(s) on Roma children's education in Europe. Previously, during the 1990s, the Association of Estonian Roma Culture has organised several cross-border communication seminars to discuss these issues.

Estonia is happy to participate in the sharing of the best practices and experiences in improving the Roma living conditions and social status.

<sup>15</sup> M. Pavelson, I. Proos, I. Pettai, et al. (2006). Integration monitoring 2005. Study report. Tallinn: Integration Foundation, pp. 5–6.

<sup>16</sup> From: <http://www.estblul.ee/FILES/mustlased2006/infomapp.pdf>

### **3.2 Institutionalisation of European policy on Roma by establishment of Roma Unit within the EC (which will look at ways to effectively use the different EU funds to more directly target prioritised Roma policies and create, evaluate and help the implementation of the European Roma Strategy)**

Estonia is supportive of keeping the decision making on minority questions in the hands of the national governments: only limited jurisdiction can be delegated to the EU level. The EU central unit can be acceptable if it will have a supportive and assisting nature only. A better central use of the funds is seen as a reasonable initiative.

As the Estonian Roma minority is relatively small and specific, Estonia is a Policy Taker on that question. Estonia will not block the creation of an EU Roma Unit.

### **3.3 Position and policies related to Commission Communication COM(2008) 420 final from 2.7.2008 on Non-discrimination and equal opportunities: A renewed commitment and also Community Instruments and Policies for Roma Inclusion, Staff working document accompanying Commission Communication COM(2008) 420**

Estonia supports the ideas indicated in the Commission Communication pointing out that the Roma situation needs joint EU actions in several aspects. As the Roma people are highly mobile, the measures and resources should be well-planned and used together.

The Communication focuses on the fact that the Roma people are in several ways excluded from the society and have disadvantages compared to the majority nationals. This is quite evident both in Estonia and in the neighbouring states. Thus the problematic needs special political attention.

The Communication also has strong treaty bases (e.g. the principle of non-discrimination) and therefore joint efforts are both legal and justified.

On several questions — via the Communication initiative — Estonia has already indicated intensive efforts to reduce Roma discrimination and disadvantages.

#### **Conclusion:**

In minority, migration and citizenship issues Estonia has become more active during the last years — a leading partner in organising INTI technical seminars which serve as input into formulating and putting together integration guidelines for policy devisers and decision makers (for example 6 seminars during the 3rd round). The seminars have so far been organised in three separate rounds. Estonia was a leading partner in the 2nd round and is now in the 3rd round.

Communication on the international level as well as on the intra-state level between different actors is substantial and fruitful.

Consequently, Estonia can be regarded as a Policy Driver in certain (especially integration) issues and a Policy Taker in others not so crucial for the Estonian state and society.

#### **Main sources for the Estonian positions on minority issues and citizenship:**

- Estonian Integration Strategy 2008-2013:  
[http://www.rahvastikuminister.ee/public/Loimumiskava\\_2008\\_2013\\_ENG.pdf](http://www.rahvastikuminister.ee/public/Loimumiskava_2008_2013_ENG.pdf)
- Brief summary of the Integration Strategy:  
[http://www.rahvastikuminister.ee/public/L\\_imumiskava\\_kokkuv\\_te\\_eng\\_26.04.08.doc](http://www.rahvastikuminister.ee/public/L_imumiskava_kokkuv_te_eng_26.04.08.doc)
- Integration and citizenship: <http://www.rahvastikuminister.ee/?id=10489>
- Integration Foundation Library (integration studies):  
<http://www.meis.ee/est/raamatukogu/?k=monitooring&a=&t=&y=&view=search>
- Estonia's European Union Policy 2007-2011:  
[http://www.riigikantselei.ee/failid/ELPOL\\_2007\\_2011\\_EN.pdf](http://www.riigikantselei.ee/failid/ELPOL_2007_2011_EN.pdf)
- Integration Foundation: <http://www.meis.ee/eng/minorities>
- "Estonia's second report on the implementation of the Council of Europe Framework Convention for the Protection of National Minorities," June 2004, p. 79: [http://web-static.vm.ee/static/failid/089/ESTONIAS\\_SECOND\\_REPORTANNEXES.pdf](http://web-static.vm.ee/static/failid/089/ESTONIAS_SECOND_REPORTANNEXES.pdf)

- The Council of Europe's European Commission against Racism and Intolerance (ECRI), 3rd Report on Estonia, 24.06.2005: [http://www.libertysecurity.org/IMG/pdf/Estonia\\_third\\_report\\_-\\_cri06-1.pdf](http://www.libertysecurity.org/IMG/pdf/Estonia_third_report_-_cri06-1.pdf)
- "Estonia Today: POPULATION BY NATIONALITY", May 2006: <http://web-static.vm.ee/static/failid/460/Nationalities.pdf>
- Interview with the Counsellor to the Minister in Integration Affairs of the Office of the Minister for Population and Ethnic Affairs, Eva-Maria Asari, 14.10.08.
- Interview with the Head of Board of the Center for Policy Studies PRAXIS, Ain Aaviksoo, 19.10.2008.

### III. Energy and climate

1. Overview
2. General issues:
  - 2.1. Strategic energy review (2007) and positions towards 2010-2014 energy action plan
  - 2.2. The post-Kyoto/post-2012 proposals — the global dimension
  - 2.3. Commitment to meet the benchmarks for greenhouse emissions
  - 2.4. Strategy and commitment to increase the share of renewable sources
  - 2.5. Strategy towards nuclear energy
  - 2.6. Implementation of the revised Emission Trading Scheme
  - 2.7. External dimension of energy security
3. Specific issues:
  - 3.1. Liberalisation of the energy market — 3<sup>rd</sup> energy package (unbundling)
  - 3.2. Common rules for the internal market in electricity (COM(2007) 508), cross border exchanges in electricity (COM(2007) 531), common rules for the internal market in gas (COM(2007) 529), access conditions to the gas transition network
  - 3.3. Establishment of the Agency for Co-operation of Energy Regulators (COM(2007) 503)

#### 1. Overview

The Estonian government politicians believe that up to now the European Commission has focused its attention mainly on the aspects concerning environmental and energy markets, whereas the security of energy supplies, which interests Eastern European Member States, has been neglected.

An important question for Estonia is the impact of third-country imports on the energy supply security of EU Member States. Additionally, the impact of vertically integrated energy companies on the functioning of the EU internal market within the Member States is seen as an important aspect worth further analysis.

The Estonian government has not endeavoured to accomplish a wider internal consensus on the energy and climate change package, for the interests of the stakeholders have been different and contradictory. In addition to this, it is a very specific topic for which it is difficult to gather a unanimous public opinion. For these reasons, in order to shape the official viewpoints, a compromise offered by the government and accepted by the most important stakeholders and the public has been used.

The exceptions are:

- Limiting the influence and participation of third countries in energy economics to support energy security. Here the government has wide support in the society.
- Nuclear energy, where environmentalists from NGOs and the Green Party, represented in the Parliament, have strongly opposed the Government's cautious support and its wish to participate in nuclear energy projects in the neighbouring countries.

Estonian positions on energy and climate change questions are influenced by the following circumstances:

1. Estonia, like the other Baltic States, is connected to the Russian electric and gas system;
2. Russian gas and electricity producers have a competitive edge because environmental requirements in Russia are less strict;
3. The joint energy market of the Baltic States is too small to attract investments for building new production facilities or establishing energy unions in other European Union countries or market areas.

The three most important issues:

1. Establishing more efficient monitoring of the capital from third countries that has control over strategically important energy companies.
2. Requesting countries exporting energy to the EU to follow Kyoto rules and to buy energy quotas according to Kyoto rules.

3. Acting against the relocation of polluting production to third countries, despite environmental or economic concerns.

### **Initiative and coalition making**

#### **Existing coalitions and coalition building methodology**

The Estonian officials did not want to reveal any details about the existing coalitions on energy and climate package debates in the EU institutions. There might be different partners for different questions and in every debate there will be new power lines, which were used for orientation. There have been no clear principles of coalition forming for Estonian delegations in questions concerning energy and climate packages. Estonia very closely observes Poland's activity, in order to gain from Poland's clear opposition to the initiatives of Germany or other Member States.

#### **Intra-state debates and position formulating**

Estonian government institutions have involved all the main stakeholders and NGOs into the negotiation process of position formulation.

The opposition (mainly the Centre Party) has accused the coalition and especially the Minister of Economic Affairs and Communication (Mr. Juhan Parts from Conservative Union of Pro Patria and Res Publica), that the lower and middle classes are not able to face new energy prices and living costs. The coalition (mainly the Liberal Reform Party) has responded in the media that the energy package is part of European solidarity and Estonia, as an EU Member State, needs to follow what has been agreed on the EU level. Italian and Polish confusions about the ability to follow the energy package have not found ground for debate. When there have been problems inside the coalition, the energy questions have been handled with mutual understanding.

Academic competence is also quite high, as the State has ordered a special study from the Estonian Foreign Policy Institute about Energy Security (<http://www.evi.ee/lib/Energiajulgeolek.pdf>). Media debates have been quite peaceful and possible costs for taxpayers have not yet been debated.

## Table of national positions

\*please, refer to the methodology disclaimer in the supplements

Issue	Definition and Outlook	National Consensus	EU mainstream
1. Top three priorities	Policy Taker; likely to remain a Policy Taker	General Consensus, position not likely to change substantially	Within the mainstream
2.1 Strategic energy review (2007) and positions towards 2010-2014 energy action plan	Policy Taker; likely to remain a Policy Taker	General Consensus	Mainly agreeing, except for the reduction of climate change (effects)
2.2 The post-Kyoto/post-2012 proposals – the global dimension	Policy Taker; likely to remain a Policy Taker	Opposition and business in partial disagreement but without taking action	Mainly agreeing, hoping for more support and consideration in oil share issues
2.3 Commitment to meet the benchmarks for greenhouse emissions	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
2.4 Strategy and commitment to increase the share of renewable sources	Policy Taker; possibly a potential Policy Driver	Consensus on the general policy	Partially disagreeing, i.e. in case of raising the proportion of bio fuels
2.5 Strategy towards nuclear energy	Policy Taker; likely to remain a Policy Taker	Opposition in disagreement	In progress
2.6 Implementation of the revised Emission Trading Scheme	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Generally within the mainstream
2.7 External dimension of energy security	Policy Driver; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
3.1 Liberalisation of the energy market – 3 <sup>rd</sup> energy package (unbundling)	Policy Killer; Potential Policy Killer	Consensus on the national position	Contradictory to the mainstream
3.1.1 Common rules for the internal market in electricity (COM (2007) 508), cross border exchanges in electricity (COM(2007) 531), common rules for the internal market in gas (COM(2007) 529), access conditions to the gas transition network (COM (2007))	Policy Driver; Potential Policy Killer	Consensus on the general policy	In the mainstream on the issues of exchange in electricity, gas transition network. Against the mainstream in questions of energy privatisation (production and transmission), internal gas market.
3.2 Establishment of the Agency for Co-operation of Energy Regulators (COM(2007) 503)	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream

## 2. General issues

### 2.1 Strategic energy review (2007) and positions towards 2010-2014 energy action plan

The Estonian positions are influenced by the fact that energy consumption by Estonia's economy has diminished in the last five years: in spite of remarkable economic growth, the consumption of primary energy is decreasing by an average of 2% per year.

Accordingly, the main partners for Estonia are the neighbouring Baltic States and the Nordic countries. Cooperation of the three Baltic states for the development of a new nuclear power plant in Lithuania has been launched, and possibilities of participating in the nuclear programme of Finland have been looked into: one goal would be to import energy from the power plants of those countries.

The big challenges of the following years are connected to the future of energy markets in the Baltic States, mainly due to the closing of the Ignalina nuclear power plant in 2009 and the further development of energy markets which requires significant investments and adequate regulations within the states.

Estonia does not completely share EU strategic positions on the reduction of climate change (effects), as it has a very high economic cost for Estonia. But Estonia is not actively opposing the EU energy policy goals either, being accordingly a Policy Taker in this matter.

## **2.2 The post-Kyoto/post-2012 proposals – the global dimension**

For the Estonian government it is important to take into consideration the energy safety and regional specialties of the Member States revising and ameliorating the carbon emission reduction trading system and allocating obligations. The priority for Estonia is the pollution coming from oil shale energy. Estonia expects that the European Union will take this matter into consideration until oil shale power plants in Estonia will be modernised and the use of renewable energies expanded.

On this question Estonia expects more support from the EU.

It is in the interest of Estonia that the new system of pollution quotas would not damage supply safety and would take into consideration the specificities of the energy market in any particular Member State. For example, if power plants using oil shale were to buy up all of the pollution quotas in the auction, it would raise the price of electricity significantly, thereby weakening Estonia's supply safety. Both business representatives and opposition are worried about the government position, but are finding themselves without sufficient measures and also the timing being too late to change what has already been agreed.

In most other questions concerning post-Kyoto initiatives, the Estonian government is a Policy Taker and ready to support the EU positions. The opposition is partially in disagreement but without media attention they are unable to put any significant pressure on the Government.

## **2.3 Commitment to meet the benchmarks for greenhouse emissions**

1. Estonian government considers it necessary to set 1990 as the base year for enforcing obligations to reduce greenhouse gas emissions.

Estonia agrees with the requirement to decrease greenhouse gas emissions by 20%, but on the condition that the base/reference year is 1990. The reason behind this standpoint is that up to now it has been considerably easy for Estonia to keep to the agreements: Estonia has had to reduce emissions by 8%, whereas the actual reduction has been over 50%, owing to the closing down of large Soviet-era industries.

2. Estonia supports the exclusion of small industries that emit less than 10 000 tons of CO<sub>2</sub> from greenhouse gas emission calculations, providing that those businesses have applied measures that ensure their contribution to greenhouse gas emission reduction. This proposition has already been taken into account in the draft of the European Commission's directive.

## **2.4 Strategy and commitment to increase the share of renewable sources**

1. In the strategy and commitment to increase the share of renewable sources, Estonia considers it necessary to follow the conclusions accepted in the March 2007 European Council and to indicate the existence of the second generation bio fuel production technology. This means that in the climatic conditions where Estonia lies, it is not feasible to raise the proportion of bio fuels up to 10% when it comes to liquid fuels used for transport, because in Estonia the production of bio fuels consumes more fossil fuels than the direct use of fossil fuels. Estonia does not support an obligatory target in this area because Estonia has no possibility to realise such a goal.

At the same time, Estonia supports raising the proportion of transport vehicles that use electricity from renewable sources.

2. Estonia considers it necessary to give the Member States the opportunity to impose their own measures that would help to stabilise the supply of solid fuels within the states. The objective of this standpoint is to obtain the right to subsidise solid bio fuels produced for the internal market. But even with this Policy Driver view Estonia sees its ability to influence EU policy making too low, and is ready to accept less favourable solutions.

## **2.5 Strategy towards nuclear energy**

Estonia has not yet adopted an official position on the development of nuclear energy. Still, individual government members and scientists have recommended taking into consideration building a nuclear power plant in Estonia.

The government has supported state-owned energy company plans to participate in the development of the new nuclear power plant in Lithuania, in order to use electricity produced there to cover some of Estonia's energy consumption.

The Estonian Green Party represented in the Estonian Parliament and several environmentalist NGOs are against nuclear energy. The President of the *Riigikogu* (Ms. Ene Ergma, acting as a "spokesperson and facilitator" between the governmental institutions and the general public), on the other hand, has started lobbying the Parliament on the benefits of building a nuclear energy plant providing Estonia with the needed energy.

## **2.6 Implementation of the revised Emission Trading Scheme**

1. To ensure energy safety and competitiveness, the Estonian government considers it necessary to bring about the possibility to give out limited amounts of free emissions quotas to domestic electricity producers. Estonian domestic energy producers are not seen as capable of competing with big multinational producers. Therefore, the Estonian producers need advantages so that they will not be dependent on large cross-border companies that might buy up Estonia's emission quotas in the auction.
2. The Estonian government agrees with the sale of emissions quotas in the auction only after measures that forestall problems in the market have been carried out.

Estonia is in favour of a smooth transition from distributing quotas to selling quotas. Until new sales regulations come into force, the Member States should be given the opportunity to divide emissions quotas among their companies free of charge.

## **2.7 The external dimension of energy security**

1. The Estonian government proposes to increase monitoring of the involvement of capital from third countries in strategically important energy businesses. Estonia would like to prevent the companies from third countries from taking advantage of their position in the energy companies where they have either direct or indirect involvement (Gazprom is considered as special threat).
2. In order to fully develop the internal energy market, the Estonian government finds it necessary to take measures to control electricity shipments from third countries. These shipments should follow the same fair competition rules as well as environmental and safety standards (including emission reduction) that the EU countries do.

Since the Baltic States are connected to Russia's electricity system, there are no technological limitations for import. Thus, only regulation-based limitations can ensure the equal status for producers in the market. Unfortunately, impeding cross-border electric energy trade is in conflict with WTO rules; hence, imposing a unified cross-European defence mechanism is complicated.

3. The Estonian officials wish to prevent the relocation of high pollution energy production to third countries. Producers from third countries have a competitive edge that undermines the interests of domestic producers.

Another problematic issue is Russia's cheap energy causing pollution in the European region. However, according to Estonian specialists' views, the only solution can be a specific tax on third countries' energy if they do not follow the Kyoto principles.

Regulating the import of electric energy produced in third countries is an area of politics in which Estonia defines itself among the Policy Drivers.

## **3. Specific issues**

### **3.1 Liberalisation of the energy market – 3rd energy package (III energy package)**

1. The standpoint of Estonia in the question of energy market liberalisation is that in order to have open competition in the energy market, there is a need for sufficient connections with neighbouring countries. Estonia expects that in addition to Russia's energy networks, an Estonia-Finland connection, or at least a Lithuania-Poland connection, would be established.
2. Estonia supports the separation of ownership relations in sales and production, on the condition that it does not worsen the financial capability of energy

companies. Estonia's standpoint is based on the negative results of the privatisation of Lithuania's national energy company. Namely, during the planning phase of the new nuclear power plant in Lithuania, Lithuanian energy companies turned out to be too small to apply for loans on the international money market in order to make the necessary investments.

Accordingly, Estonia can be seen as possible Policy Killer on this question.

**3.1.1 Common rules for the internal market in electricity (COM (2007) 508), cross border exchanges in electricity (COM(2007) 531), common rules for the internal market in gas (COM(2007) 529), access conditions to the gas transition network (COM (2007))**

1. Estonia supports the proposition to separate the ownership of shipment and production activities, but only if it does not oblige the country to privatise businesses that belong to the state. This proposition has already been taken into account in the draft of the European Commission's directive.
2. Estonia would like to avoid contradicting the principles of privatisation if after the separation both the energy production and shipment would remain in the possession of the country. Estonia wants to clearly state in the directive that if a country is both a producer and owner of the main network, then the country is not considered as a trading concern. (This proposal concerns only state-owned, mainly monopoly or oligopoly companies. In a way, it contradicts the liberalisation principle, but receives support from the claim that in case of liberalisation, the Estonian ownership would most probably be replaced by Russian ownership). If this proposition does not find enough support, then Estonia must apply for an exception.

Accordingly, Estonia is a Policy Driver; and a potential Policy Killer if its interests are not met.

**Cross-border exchange in electricity**

1. Estonia supports the EU in adjusting international electricity trade compensations to suit the Member States. At the moment, the electricity transit compensation arrangement discriminates against Estonia because when the mechanism was created, Estonia did not have a connection with other Member States. Estonia is currently helping to maintain the system, but does not take part in the distribution of the funds.
2. Estonia supports the implementation of legislative acts that would motivate the main market companies to create new connections. (Government decision, 11.01.2008)

Current regulations do not motivate the construction of new connections as there is no economic stimulus. Estonia supports permitting the main network owners to earn higher benefits/productivity from the new connections between the countries and the market areas than what has been allowed up to now.

Estonia is a Policy Taker (promoter) on this issue.

**Common rules for the internal market in gas**

1. At the moment, the market for natural gas in Estonia is 95% liberalised.<sup>17</sup> The remaining percentage concerns only domestic consumers: for them the prices of natural gas have been regulated.
2. Estonia (as well as Finland, Latvia and Lithuania) is applying for an exception in separating the ownership relations of gas manufacturers and the main network because Estonia has only one external supplier and no connection with the EU internal market.

Accordingly, Estonia is a potential Policy Killer if its interests are not met.

**Access conditions to the gas transition network (COM (2007))**

<sup>17</sup> <http://www.mkm.ee/index.php?id=8083>

Estonia does not restrict new affiliations in the gas transit network. According to the natural gas law in force, it is open to all new affiliations (both providers and consumers).

Estonia is a Policy Taker on this issue.

### **3.2 Establishment of the Agency for Co-operation of Energy Regulators (COM(2007) 503)**

1. The Estonian government takes the position that there is no need to create a unified market regulator. It would be sufficient to harmonise the mandates of the current regulators and to create cross-border electricity commerce standards.
2. The Estonian government supports preserving the equal voting principle in the regulating organ. This position is in coherence with the Member States' equal treatment principle of the European Union.

### **Conclusions**

#### **Estonia greatly influences the policies of energy and climate packages concerning the participation of third countries – it is a Policy Driver.**

Although this aspect is important only for Eastern European countries, Estonia has managed to protect its standpoint and reach its goals, with the help of Estonian diplomats and public servants' effective lobbying, along with the support of other Member States with similar interests.

#### **Estonia is a Potential Policy Driver (supporter and developer) also on the issues of separation of energy production and transmission, along with the environmental issues.**

Here, the satisfactory solutions that are coherent with Estonia's initial positions have been accomplished. On the national level, the compromise offered by the government has been accepted and these topics are relevant in all EU Member States.

#### **Main sources for the Estonian positions on energy:**

- Government session, decision taken on 21.02.2008 marked into the protocol (Estonian positions on the climate change and renewable energies package): <https://dhs.riigikantselei.ee/dhsavalik.nsf/69a1ea59675f3692c22572b8005d9668/c2256d56004d5f80c22573fd004edf22?OpenDocument>
- Government session, decision taken on 01.11.2008 marked into the protocol (Estonian positions on the energy economics internal market package): <https://dhs.riigikantselei.ee/dhsavalik.nsf/34ca63dfd4f6b95c42256d52004dfd52/c2256d56004d5f80c225738a004f7512?OpenDocument>
- Parliament (*Riigikogu*) Economics Commission meeting protocol, 08.02.2008 (Estonian position on the EC notice on European energy policy): [http://roller.riigikogu.ee/orb.aw/class=site\\_search\\_content\\_grp\\_fs/action=showdoc&op=roller/id=203/doc=10a73e5fce1319468dbeff80ace9ff1b/070520002.html](http://roller.riigikogu.ee/orb.aw/class=site_search_content_grp_fs/action=showdoc&op=roller/id=203/doc=10a73e5fce1319468dbeff80ace9ff1b/070520002.html)
- Draft version of the Estonian national development plan for energy economics 2008-2010: <http://www.mkm.ee/index.php?id=321327>
- Working version of the Estonian electricity economics development plan 2008-2018: <http://www.mkm.ee/index.php?id=321328>
- Interview with the Deputy Secretary General of the Ministry of the Environment, Allan Gromov, 19.09.2008.
- Interview with the Deputy Secretary General of Energy of the Ministry of Economic Affairs and Communications, Einari Kisel, 23.09.2008.

Review of Estonia's positions in this chapter is based on strategic documents and government decisions on the issues, debates in parliamentary committees, reviews of national positions and interviews with responsible officials. Secondary sources such as media publications and statements of key figures in media were not used because they simply repeat information of primary sources and are too vague and indefinite. There have been no opinion polls or surveys about Estonian positions on the energy and climate package of the European Union.

#### IV. Budget review and CAP "Health Check"

1. Overview
2. General issues:
  - 2.1. Position towards CAP "Health Check" (COM(2007)722)
  - 2.2. Positions towards the expenditure structure of post-2013 budget (SEC(2007)1188)
  - 2.3. Position towards Common Market Organisation for Fisheries

##### 1. Overview

Estonia promotes increasing market economy elements in the CAP and freeing the agricultural market from some existing restrictions; the Union's resources should be increased to achieve these goals. The overall goals of Estonia correlate with the European Commission priorities: a more focused and less resourceful CAP.

But in general, the agricultural sector plays a very small role in the Estonian economy (1.8% of GDP in 2007). The decline of the agricultural sector has continued during the entire independence period (22.01% in 1989, 7.2% in 1994, 3.3% in 1999). Also, salaries have been under the average in the agricultural sector during most of the independence period (but bypassed the average after EU accession. The average monthly salary in agriculture was EUR 549 at the beginning of 2008 (the general average at the same time was EUR 455).

Today most main big agricultural enterprises are owned by Scandinavian companies, with small farms remaining mainly in Estonian ownership.

##### The three most important issues coincide with the goals of the EC and include:

1. Revision of Direct Aid Principles (DA): Direct aid is seen as the most fundamental problem of the CAP from Estonian perspective. There is a need for a new ideological perspective as well as economic content and goals. But the revision of the principles and methods needs to be initiated at the EU level. There is also a need for an EU-level analysis of possible reform scenarios concerning direct aid. The final aim according to the Estonian positions should be lowering the amount of payments and increasing the efficiency of agricultural farms and industry. Structural spending should decrease and innovation and research funding must grow instead.
2. Supporting the Adoption of Market Mechanisms: reducing the importance of quotas, e.g. for milk, before the currently fixed date (2015 for milk products). Need for a more universal intervention mechanism that would help to alleviate the negative impacts of economic downfalls in the EU agricultural sector, to create the so-called "safety net" enabling survival during periods of economic downfall. The EU also needs to develop a more viable and competitive market regulation system, enabling the EU agricultural sector to align with the general global developments (incl. decrease of overproduction, increase of demand for certain products, fighting rising prices, etc.).
3. More Attention and Resources Need to be Allocated to Rural Development Policy (RDP). Supporting and retaining focus on the current 3 RDP priorities<sup>18</sup> is very important during the next financial perspective. It is also a priority to support and redirect an increasing amount of EU CAP direct aid allocations to RDP (lowering production risks, considering climatic changes, more effective water management, bioenergy and fossil fuels, biodiversity and global security), and to consider the development of both RD networks and the LEADER approach as parts of the CAP future vision.

##### Additionally:

The Estonian Government finds it also important to pay attention to the following areas:

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<sup>18</sup> The future Rural Development policy 2007-2013 will focus on three areas in line with the **"three axes"** of measures laid down in the new rural development regulation: 1) improving competitiveness for farming and forestry; 2) environment and countryside; 3) improving quality of life and diversification of the rural economy. **A fourth axis** based on experience with the Leader programme introduces possibilities for locally based bottom-up approaches to rural development.

4. Rural Education: There is a clear need to increase the entwinement of the entrepreneurial sector with fundamental and applied sciences and agricultural education.
5. Regional Development: there is a need to revise the rules and resources for the implementation of the Regional Development Fund, to get more reasonable and integrated results.

### **Initiative and coalition-making**

Most of the time, Estonian coalition-making tactics are towards enlarging the group of liberal-minded EU Member States. Estonia has the closest contacts and cooperation with Germany and the Netherlands, also several interests are similar to the ones of Latvia and Lithuania. Cooperation with Nordic countries is technical and not always based on common interests.

Estonia has been a Policy Driver for some declarations and initiatives usually representing the interests of 10 or less (very often New) Member States.

Estonian coalition-making tactics derive from past history and experiences, and are founded on the principle of "going for the more neutral coalition". Still, the Estonian approach towards agricultural issues is focused, concrete and offers solutions. As Estonia does not have interests in the whole range of CAP, it is ready for package deals and exchange of supportive votes. The general goal for Estonia in the field of CAP is to gain experience and skills to be ready for the full possible influence by the year 2012 (when the "new Member States" are fully engaged).

A majority of the coalitions are theme-specific with a bilateral nature (e.g. RDP – Sweden plus the three Baltic States: policy implementation, legislative aspects, need for introducing changes into the EU directives; Fisheries – Spain and Estonia: cooperation projects and twinning in creating fisheries records).

### **Existing coalitions in field of CAP**

- Roundtable of Northern and Baltic countries – Sweden, Denmark, Finland and the 3 Baltic States: exchange of ideas, positions; looking for opportunities for greater common position creation, not based on specific joint interests. Nevertheless, the roundtable is the ideal place to ask the engaged countries' support for certain issues – it is a rather informal meeting between the officials responsible for creating the national positions for the various topics.
- The Group of the Like-minded or the Stockholm Group: UK, Germany, the Netherlands, Czech Republic, Sweden, Denmark Estonia, Latvia\_(Estonia was the first New Member State, whose participation influenced the invitations to the Czech Republic and Latvia).
- The Baltic States plus Poland: meeting before every EU Council meeting to discuss the positions; Baltic States as the "supporters of Poland". Based on similar interests.
- bilateral cooperation (e.g. with Spain, Finland, Ireland; depending on the issue under question).

### **Intra-state communication and debates:**

1. Regular extended meetings of civil servants and interest groups in the Ministry of Agriculture, including: representatives of employers and employees, farmers and other producers. Meetings include approximately 20-30 people meeting after every 2 months, discussing all relevant issues and decisions, before formulating national positions to be taken to the EU institutions. Debates most often cover the questions of separate support systems, direct aid, RDP, long-term policies, etc.
2. Additionally, occasional meetings are held between producers' representatives and Ministry officials, information days and seminars are organised; there exists quite an informal link between farmers and the Ministry of Agriculture.

3. The Ministry of Agriculture also covers the costs of the Estonian representation of the Estonian Chamber of Agriculture and Commerce in Brussels, to ensure wider representation of the Estonian interests in EU policy making ([http://www.epkk.ee/index.aw/set\\_lang\\_id=2](http://www.epkk.ee/index.aw/set_lang_id=2))

Public debates support a less-regulated CAP with smaller direct payments. As workers employed in agriculture represent less than 4% of the population, debates about CAP are rare.

### Table of national positions

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Issue	Definition and Outlook	National Consensus	EU mainstream
1. Top three priorities	Policy Taker; likely to remain a Policy Taker	General Consensus	Within the mainstream
2.1 Position towards CAP "Health Check" (COM 2007(722))	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
2.2 Positions towards the expenditure structure of post-2013 budget (SEC (2007)1188)	Policy Taker; likely to become a Policy Driver	Consensus on the general policy	Within the mainstream
2.3 Position towards Common Market Organisation for Fisheries (where applicable)	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream

## 2. General issues

### 2.1 CAP "Health check"

Estonia sees CAP Health Check as being not a fundamental change of the foundations of the policy but rather a modification of the application and execution strategies and principles of CAP in the future of the policy in the enlarged EU-27.

In this issue Estonia can be considered a pragmatist: supporting low-cost administration and execution, and searching for the balance.

Estonia strives to be a good partner for the EC. There have been no significant diversions from the EC policy priorities; however, Estonia follows the tactic of defining an issue every time specifically and devising its position towards it.

Estonia takes the position that the EU needs a significantly modified CAP for the next financial perspective so that the possibilities for unequal treatment of and competition between Member States would be minimised. The latter includes both CAP common means as well as the regulation of national funding.

Positions in specific areas:

- SPS/SAPS system and transition: the use of SPS/SAPS in Estonia is problematic as Estonia does not have sufficient reference data from earlier periods. A compromise solution is needed.
- Historic approach to direct payment levels: Estonia is not supportive; reforms should depend on need and efficiency, rather than on historical circumstances.
- Transition period for increasing payment levels: Estonia does not support an increase in payment levels.
- Cross compliance issues: Estonia supports the development of cross compliance issues as it will lead to higher efficiency and better regulation.
- New Article 68: Estonia supports the development of a new article 68 as it leads to better, more targeted use of funds, which are especially useful for smaller Member States.
- Limits of aid (minimal size of plots and or funds): on one hand, Estonia sees efficiency as the purpose of defining aid limits (accordingly making aid more efficient for bigger units); on the other hand, as most Estonian agricultural units are small, Estonia supports giving more attention to assistance for small units.

- Modulation: Estonia supports a more efficient and focused CAP; as modulation should make practical use of funds more rational and effective, Estonia is ready to be a policy supporter in this issue.
- Milk quotas: these are at a sufficient level for Estonia (or could be reduced even up to 10%).
- CAP in the next budget: Estonia generally believes it should not grow, and more resources should go to R&D
- National co-financing: additional national co-financing is neither possible nor supported.

Even though CAP is not the priority for the Estonian government, and several big agricultural companies are owned by Scandinavian companies, it helps to balance Estonia's trade and capital balance.

On the "Health check" question Estonia is a Policy Taker.

## **2.2 Expenditure structure of post-2013 budget**

As the preparations of the new post-2013 financial perspective of CAP is in its initial phase, Estonia finds it important to start with the strategic questions and choices: what are the priorities of CAP, what are the wished-for developments and what are the financial limitations. The discussions have been started focusing not on the amounts but on the general logic and priorities of the policy. Therefore, the budget itself and the fiscal politics (budgetary issues) are kept apart; the first decisions have been postponed to 2012.

The Estonian position thereby is that the "budget has to be sufficient for all the involved parties", i.e. the provisions/sums in the budget in absolute numbers have to remain the same as today. The proportion from the EU overall budget is not as important in that sense.

Related to CAP, Estonia is focusing more on the substance of CAP measures in the future, before opening any discussion on the budget.

From CAP and its resources, more should be spent on research, development and education and less on direct aid and subsidies. Budgetary measures should motivate CAP actors towards more market economy-based behaviour and efficiency. Estonia has already started internal discussions and shared its initial views with other Member States on how to reshape CAP payments in the future so that the payments would be more based on the current situation in the EU, more equal among Member States and less based on coupled support.

The division of the CAP budget into different pillars is considered to be rational and worthy of support. According to the Estonian position, a first pillar including the income support scheme and a second pillar including the investment aid scheme would help guarantee adequate aid delivery taking into consideration global influences, changing climatic conditions and the overall public interest.

In this question Estonia is a Policy Taker.

## **2.3 Common Market Organisation for Fisheries**

Estonia does not actively promote the development of the Common Market Organisation for Fisheries, but rather focuses on the general Fisheries Policy which concerns internal waters, coastal area management and shipping. Estonia is not planning to pursue a specific policy in the context of the expected EC action on the development of a new Integrated Maritime Policy in 2009. The country will not submit an independent proposal for the reform of the Common Market Organisation for Fisheries and Aquaculture Products, but will support the alliance of the Stockholm Group (UK, Germany, the Netherlands, Czech Republic, Sweden, Denmark, Estonia and Latvia).

On the national level, the Fisheries Resources Department of the Estonian Ministry of the Environment ([http://www.envir.ee/?set\\_lang\\_id=2](http://www.envir.ee/?set_lang_id=2)) is working out the national fishery strategy to manage the marine environment in a more integrated way through an ecosystem approach. Its main objective is to create the framework for sustainable development of the Estonian fisheries sector and, as mentioned, to ensure its development based on the EU's Common Fisheries Policy. The Department manages and

co-ordinates research, assessment, exploitation, reproduction and protection of fish resources.

In numbers, in 2004, fisheries contributed only 0.2-0.3% of the Estonian GDP. At the same time fish exports have been one of the few items on Estonia's trade balance that provide net income. Despite the latter, the fisheries' share in Estonia's economics and policies is not very big.

The advent of the EU initially posed many questions to the people working in the fisheries sector by unveiling the critical need of a unified and well-planned approach in the whole sector of fishing and fish processing and related industries. By today, however, the EU membership has brought about positive changes, for example the opening of the coastal fishing areas – 12 miles from the shore – for all the Member States, support for inland fisheries and private ports, the extension of support to medium-sized enterprises, and the modernisation of engines in small-scale coastal and inland fisheries.

Currently, the Programme for the Protection of Endangered Fish Species and Restoration of Fish Resources for 2002-2010, and the plan to develop the Põlula Fish Farming Centre between 2008 and 2011, will establish a basis for the systematic replenishment of resources based on fish farming. The measures in the Estonian Implementation Plan of the European Fisheries Fund for 2007-2013 are focused on achieving a balance between fishing capacity and fish resources.<sup>19</sup>

In this question Estonia is a Policy Taker.

#### **Conclusion:**

In CAP and budgetary issues Estonia can be considered both as a Policy Supporter and Policy Taker. The Estonian government would like to create the image of a constructive pragmatist who does not talk much or all the time, but when expected to comment on some issues, the positions and propositions are well thought through and thoroughly prepared.

On some of the CAP Health Check and post-2013 financial perspective issues (see the general overview) Estonia is an active participant and more of a Policy Driver. In other areas Estonia has aligned with the majority of EC propositions, thus being a Policy Taker.

#### **Main sources for the Estonian positions on EU agriculture and fisheries policies:**

- Interview With The Acting Deputy Secretary General For Foreign Affairs And Development Of The Ministry Of Agriculture Of The Republic Of Estonia, Peeter Seestrand, 25.09.08.
- Interview With The Head Of The Eu Affairs Bureau Of The Ministry Of Agriculture Of The Republic Of Estonia, Kristina Uibopuu, 15.10.08.
- Information On Fisheries Management In The Republic Of Estonia (April 2005): [Http://www.fao.org/fi/oldsite/fcp/en/est/body.htm](http://www.fao.org/fi/oldsite/fcp/en/est/body.htm)
- "The Implementation Of The Eu Sustainable Development Strategy In Estonia" (June 2007), In *Estonian Input Into The European Commission's Progress Report On The Implementation Of A European Union Sustainable Development Strategy*: [Http://ec.europa.eu/sustainable/docs/report\\_2007\\_et.pdf](http://ec.europa.eu/sustainable/docs/report_2007_et.pdf)

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<sup>19</sup> "The Implementation of the EU Sustainable Development Strategy in Estonia" (June 2007): [http://ec.europa.eu/sustainable/docs/report\\_2007\\_et.pdf](http://ec.europa.eu/sustainable/docs/report_2007_et.pdf)

## V. EU foreign policy and enlargement

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  - 3.7. Strategy for the Baltic Sea Region
  - 3.8. Revision of European Security Strategy

### 1. Overview

The Estonian approach towards EU Foreign Policy is in most cases the one of a Policy Taker: as a small and "new" Member State, Estonia has been constantly adopting the main political lines of the EU. Estonia is therefore not very rigidly attached to its positions but is rather a partner whose tactics are to renegotiate concrete issues if necessary and not to remain among the few defectors. Both the actions and threats relating to Estonian external affairs have strong connection with Estonian–Russian relations. The EU is "wishfully" seen as the main regional counterbalance to the Russian influence in Central and Eastern Europe (CEE).

Estonia is positively minded towards EU enlargement, however, this applies only if the accessing states have followed all the formalities and technical details (Copenhagen criteria, opening and finishing negotiations in the 33 negotiable<sup>20</sup> Chapters of Accession Treaty etc.). Estonia favours taking in new members if the latter have done their homework, but will not lead any coalitions to block (or support) any of the candidate states. Estonian officials forecast that enlargement issues will probably not be dealt with very eagerly inside the EU in the coming months, that is, before the EP elections in summer 2009, as accession risks to be a highly unpopular topic in most Member States.

### The three most important general Foreign Policy priority issues of Estonia include:

1. EU enlargement.
2. European Neighbourhood Policy: More efficient ENP (i.e. more integrated and centrally financed activities) in support of Georgia, Ukraine, Moldova.<sup>21</sup>
3. Lisbon Treaty: ratification, providing a clear and transparent framework for the EU enlargement and accession conditions; improvement of intra-institutional cooperation and coordination; creation of the post of EU High Representative/EC vice-president and the EU Foreign Service system; broadening of the scope of missions under the Petersberg Tasks; etc.

### Additionally:

4. Baltic Sea Strategy: development, cooperation and implementation.
5. Revision of the EU Security Strategy: especially after the events in Georgia in August 2008 and "the Russian invasion and protection of their citizens' rights abroad", the question of EU security has come to the forefront of discussions (added to the highly prioritised questions of cyber and energy security).

### Initiative and coalition-making

<sup>20</sup> That is, 33 out of a total of 35 negotiation chapters.

<sup>21</sup> For example, to further facilitate the development of relations, Estonia is planning to open a diplomatic representation in Moldova as well as in one of the Western Balkan countries.

Very strictly/rigidly taken, the Estonian coalition-making tactics are based on belonging to the group of states prioritising strong transatlantic partnership and being a Policy Taker on most other questions. Estonia sees most of its European partners as not being aware enough of Russian pressure (from the Estonian point of view).

Cooperation with several of the (old core) EU Member States takes place as well in different issues but is complicated because of their different global ambitions, post-modern security thinking, lack of solidarity with distant border area problems, and criticism of transatlantic security doctrines.

Estonia's low interest towards ESDP is also caused by problems in alliance-building for decision-making and field missions. Thus Estonia finds itself marginalised in these debates.

Coalitions have been rather based on regional interest, on an ad hoc basis, or grounded in the transatlantic partnership.

### **Existing coalitions**

- Partnership with the United States
- European allies supporting transatlantic partnership: Denmark (e.g. together in the Balkans), UK (e.g. together in Afghanistan) and Poland on security, defence and other issues
- Military and security cooperation with other Baltic states
- In ESDP questions (joint Battle group), cooperation with Nordic countries up to the point where it would risk to threaten the transatlantic partnership.

### **Intra-state communication**

There is a low level of communication between different stakeholder groups. Some intensification can be seen between the NGOs active in the development cooperation field and the Ministry of Foreign Affairs (e.g. the Development Cooperation Round Table, which has been engaged in working out new principles for development aid financing, writing and implementing development cooperation projects). Nevertheless, constructive partnership is an issue to be developed further and more substantially.

However, certain think tanks have to some extent been engaged in political public communication, often with financial support from government institutions. One example is the establishment of the International Centre for Defence Studies<sup>22</sup> in March 2006, financed by the Ministry of Defence. The Institution is a new think tank, devoted to the analysis of security and defence policy questions. The Centre's roles are to analyse global developments in the security and defence field, and to examine narrower topics that are of special interest to Estonia. Another example is an independent not-for-profit think tank based in Tallinn, Estonia – PRAXIS Center for Policy Studies. Finally, The Ministry of Foreign Affairs is partly financing the Estonian Foreign Policy Institute.

Foreign policy debates are also held by several NGOs: the Estonian NATO Movement, the Estonian European Movement and the International Relations Circle of Tartu University. But none of these has a major influence on policy making.

Both public and academic opinions are supportive (or in some issues rather indifferent) of the government's achievements in EU external relations and NATO activities. This, however, does not automatically translate into these stakeholders' support to EU and NATO external actions, on which they may at times be more sceptical.

Media debate within Estonia has been held in the Estonian Foreign Policy Yearbook, the weekly newspaper add-on "Diplomacy" and daily newspapers "Postimees" and "Estonian Daily".

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<sup>22</sup> [http://www.icds.ee/index.php?id=71&no\\_cache=1&L=1](http://www.icds.ee/index.php?id=71&no_cache=1&L=1)

**Table of national positions**

\*please, refer to the methodology disclaimer in the supplements

Issue	Definition and Outlook	National Consensus	EU mainstream
1. Top three priorities	Policy Taker; likely to remain a Policy Taker	General Consensus, increasing role of NGOs, certain indifference from the public and academic circles; position not likely to change substantially	Within the mainstream
2.1 Preference of countries for accession and any specific points or concerns relating to it (including bilateral disputes and how they might translate into EU-level policy and decision-making)	Policy Taker in general, Policy Driver in the Turkish question; likely to remain a Policy Taker /become a Driver	Consensus on the general policy	Within the mainstream
2.2 Preference for any particular country in the framework of ENP	Policy Taker; likely to remain a Policy Taker /become a potential Policy Driver	Consensus on the general policy	Within the mainstream
2.3 Enhanced ESDP, increasing Europe's defence capabilities etc.	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy, some opposition to the government in the choice between EU and NATO	Within the mainstream
2.4 Position towards Kosovo, e.g. status and EU mission in Kosovo	Policy Driver; likely to remain a Policy Driver, or at least a Policy Taker	Consensus on the general policy	Within the mainstream
2.5 Transatlantic relations	Policy Driver; likely to remain a Policy Driver	Consensus on the general policy	Within the mainstream
3.1 Completion of accession negotiations with Croatia	Policy Taker; a potential Policy Driver	Consensus on the general policy	Within the mainstream
3.2 Opening of accession negotiations with Macedonia	Policy Taker; a potential Policy Driver	Consensus on the general policy	Within the mainstream
3.3 Signing of SAA with Serbia	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
3.4 Blockage of accession talks with Turkey, possibility of unblocking it	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
3.5 Polish – Swedish initiative for ENP Eastern Partnership	Policy Taker; a potential Policy Driver	Consensus on the general policy	Within the mainstream
3.6 Strategy for the Black Sea Region/Black Sea Synergy Implementation assessment	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
3.7 Strategy for the Baltic Sea Region (defined as a priority for the Swedish Presidency – second half 2009)	Policy Taker; a potential Policy Driver	Consensus on the general policy	Within the mainstream
3.8 Revision of European Security Strategy (thought to be initiated by the French Presidency)	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream

## 2. General issues

### 2.1 Preference of countries for accession and any specific points or concerns relating to it (including bilateral disputes and how they might translate into EU-level policy and decision-making)

Estonia has a positive standing on EU enlargement. That is, Estonia supports Croatia in finalising accession talks and Turkey in moving on in accession talks and also supports Macedonia and other Balkan countries in their accession aspirations. But all the accession or association conditions must be met. Estonia also understands the concerns of some Member States on accession. Accordingly, in general, Estonia is a Policy Taker in accession matters and more of a Policy Driver in supporting opening accession talks with Turkey and providing help to the latter.

### 2.2 Preference for any particular country in the framework of ENP

The European Neighbourhood Policy (ENP) is seen as a suitable capability for Estonia in EU external affairs. Estonian engagement in the framework of ENP has been partly channelled through development cooperation (partly because ENP is an independent branch of EU Foreign Policy and does not automatically entail development cooperation). Estonia has systematically engaged in development cooperation since 1998. The experience obtained during that period and the developments in the international environment have been based on the "Principles of development cooperation" approved by the *Riigikogu* in 1999, currently being renewed, and the "Development plan for the provision of development assistance and humanitarian aid of Estonia 2006-2010".

For the current period, the Estonian Ministry of Foreign Affairs has defined three countries as its priorities for development cooperation among ENP states:

- Georgia
- Moldova
- Ukraine

The Estonian Defence Ministry's priority cooperation partners are slightly different and include:

- Georgia
- Ukraine
- Montenegro (not an ENP country)

For the EU-15, the Baltic States represent a necessary competence and resource for furthering the integration process for Ukraine, Moldova and Georgia. Among different kinds of support, the Baltic States can offer ENP countries border management support, financial sector management, training for civil servants, information technology application in public services, etc. Transfer of know-how is mainly aimed at younger, mid-level civil servants working in the EU or NATO area.

Estonian financial support for Neighbourhood projects has doubled during the last two years. Further growth depends mainly on the target countries' ability to effectively use the additional experts and donations (for example, administrative confusion in Ukraine and administrative capability in Georgia).

In general, the public is supportive of the government's policies towards ENP. There exists a constructive cooperation among the political decision makers and a common willingness to support the ENP countries in Eastern Europe (post-Soviet countries).

### 2.3 Enhanced ESDP, increasing Europe's defence capabilities etc.

It is obvious that, being so small, Estonia cannot be represented in every ESDP mission and activity. It seems reasonable to continue focusing on developing niche capabilities like mine clearance, medical support and border-management. Furthermore, Estonia understandably tends to concentrate its attention on the geographical areas where it has the most experience and requisite competence, that is, primarily the former Soviet Union and other post-communist countries. The availability of rapidly deployable units is not the central question for Estonia when choosing whether to support ESDP development and to what extent.

Estonia does not share the enthusiasm that the EU needs ESDP to play a greater role in the global arena. The situation where motivation for a mission and intervention comes from certain countries but the costs have to be borne by all the participants is highly

demotivating for Estonia, also because Estonia is a Member State having no post-colonial interests or global ambitions.

Estonia's interest in the launch of the European Battlegroups concept was lessened by the dependence on Russia and Ukraine for airlift capabilities, which could create a situation where potential missions close to the borders of Russia or Ukraine would only be possible with their approval. When leaving aside the Transdniestrian conflict, the Georgian border problems, Armenian-Azerbaijan tensions and other potential hotspots in the post-Soviet space because of the above-mentioned airlift dependence, mainly Balkan, Middle Eastern and African destinations will remain.

Pessimism is also caused by the EU's institutional inability to coordinate a capability-sharing model with NATO. When left alone to choose between NATO and ESDP, Estonia tends to prioritise NATO. The latter "inclination" can be seen as a long-term tendency among the political circles which has been neither seriously debated nor opposed by the general public or media. Both the media and the public have voiced their concerns from time to time over the "right" balance or choice between EU and NATO, but have not found substantial grounding and have later withered away.

### **Summary:**

Estonia would support a more communitised policy-making model for ESDP. It is ready to support enhanced ESDP to make it effective in Europe and on the eastern border, and is open for the development of permanent structural cooperation, in the hopes this will increase ESDP's practical capabilities. Estonia would be more interested in European defence capabilities cooperation, and supports ESDP missions, but does not have additional reserves for the missions. Estonia is participating in Nordic Battlegroup and supports its continuation. The country is also participating in the Armament Agency development and is satisfied with its current progress.

### **2.4 Position towards Kosovo, e.g. status and EU mission in Kosovo**

Estonia has supported Kosovo's independence process guided by international organisations. Estonia is among the first states to have recognised Kosovo's independence. Estonia is ready to provide additional support to strengthen and build up Kosovar State structures. Estonia has already pledged USD 1 million through the Kosovo Donor Conference, and participates via other channels as well.

Estonia also supports the growing role and presence of the EU and its mission in Kosovo by sending civil experts. At the moment, staff officers and a group-sized unit ESTRIF (Reconnaissance Force) are serving in Kosovo as the members of Multi-National Task Force North MNTF(N), Danish battalion. Staff officers are also serving at KFOR headquarters in Pristina.

The present mandate from the Parliament of Estonia, which allows up to 40 members of the Defence Forces to participate in peacekeeping operations in Kosovo, is valid until 1 January 2009.<sup>23</sup> The mission is supported by the Estonian Ministry of Defence.

### **2.5 Transatlantic relations**

The relationship between Estonia and the United States of America has been constant and strong since Estonia first became independent. The United States and Estonia are important allies and partners. The United States recognised the Republic of Estonia on 28 July 1922. After re-independence in 1991, the recognition of the legal continuity of the Republic of Estonia has been the cornerstone of Estonian-US relations.

The main pillar of Estonian security is membership in multilateral defence alliances and active participation in safeguarding global security, where NATO represents Estonia's most important partner. Estonia considers good relations with the USA and the backing of NATO to be very important for the overall security of Europe and especially Estonia. ESDP has also often been seen as an unreasonable ambition and goal when parallel structures already exist in NATO.

Estonia has used its military capacity mainly for NATO missions, leaving but little for ESDP missions. However, the latter does not mean that Estonia is negatively inclined towards ESDP. In 2007-2010 all three Baltic States plan to create additional capabilities to be able to meet the needs of other security providers besides NATO.

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<sup>23</sup> <http://operatsioonid.kmin.ee/index.php?page=196&>

While NATO and EU enlargement proceeded in parallel, there was no conflict of interest between supporting EU and US policies. Nevertheless, when the tensions between EU and transatlantic interests grow, Estonia tends to give its overwhelming support to the transatlantic partnership. Still, unconditional transatlanticism has suffered as a result of the US administration's misjudgement regarding Iraq. The general trend of Estonia from 2005 onwards has been one of increasing scepticism towards unilateral American actions.

In other areas beside the defence sector, Estonia has good economic relations with the USA. Estonia's business attitude toward the United States is positive, and business relations between the two countries are increasing. The primary competition for American companies in the Estonian marketplace is European suppliers, especially Finnish and Swedish companies. Total U.S. exports to Estonia in 2007 were USD 242 million, forming 1.2% of total Estonian imports.<sup>24</sup> In 2007 the principal imports from the United States were boilers, machinery, vehicles, chemicals, mineral fuels, oils and electronics. Estonian exports to the United States amounted to around USD 296 million in 2007, making the US Estonia's fourth-largest export market outside of the EU. US imports from Estonia are primarily mineral fuels and oils, electronic machinery, games and sports equipment, and fertilisers.

To tighten Estonia-US relations in all other domains, including cultural cooperation, the United States announced the administration's initial intention to make changes to the U.S. Visa Waiver Program in 2006 (during G.W. Bush's first-ever visit to Estonia), increasing security while facilitating entry for legitimate visitors and businesspeople from countries like Estonia. Since 17 November 2008, entry to the USA has been visa-free for Estonians with a biometric passport.

In transatlantic relations Estonia can in some aspects be considered more than a mere Policy Taker — rather a Policy Driver.

### **3. Specific issues**

#### **3.1 Completion of accession negotiations with Croatia**

Croatia will be the first country to join the EU based on the Nice Treaty. Estonia supports Croatia's ambitions and accession. The goal is to finish accession negotiations during the Swedish Presidency (2<sup>nd</sup> semester 2009). The most problematic areas have been Judiciary and Fundamental Rights, Justice, Freedom and Security, shipping and border conflicts with Slovenia (fishing), but together with Croatia itself, Estonia hopes the solutions will be found soon.

#### **Summary:**

Estonia is a Policy Taker on this question and is among the strong supporters of Croatian membership as soon as all the criteria are met.

#### **3.2 Opening of accession negotiations with Macedonia**

Firstly, as concerns the issue of the country name Macedonia and the quarrel between the Former Yugoslav Republic of Macedonia (name used by UN) and the Macedonian district in Greece, Estonia recognises and uses the translation of the constitutional name for the country: Republic of Macedonia. Estonia's other starting point is that the problems in the Balkans cannot be finally solved without integrating all the territories of the former Yugoslavia into the EU.

Macedonia is currently waiting for the conclusions of the EU Commission Progress Report and thereby for the signal from the EU to start accession negotiations. Whatever the outcome of the Report in 2008 (potentially Macedonia may not receive a positive note from the EU in 2008, partially because widening the circle of negotiating states is a highly unpopular topic before the EP elections), Estonia supports EU enlargement and therefore the accession of Macedonia.

Estonia has made many efforts to support Macedonia: since January 2007 there have been about 50 bilateral meetings (visits) on different issues. Macedonia is a candidate country and Estonia supports its candidacy. Estonia also acknowledges that Macedonia's national political situation is complicated, which does not allow for quick and radical changes.

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<sup>24</sup> <http://www.state.gov/r/pa/ei/bgn/5377.htm>

Accordingly, Estonia is a Policy Taker on the question of opening accession negotiations with Macedonia.

### **3.3 Signing of SAA with Serbia**

Further integration of Serbia has vital importance for Balkan regional security. Estonia is of the opinion that the Balkan countries should be treated according to their advances and success in reform procedures. The positive solution of Serbia having signed the SAA will allow the country to proceed with other, more fundamental issues necessary for its EU accession. The SAA would give another signal for advancing reforms and liberalisation of the economy and politics to other countries in the region.

Still, cooperation with Serbia should follow all the main criteria set by the EU and be built up in a clear and conditional manner — this includes continuing with the SAA only if Serbia agrees to cooperate fully with the International Criminal Tribunal for the former Yugoslavia (ICTY). Estonia now finds that with the new government in place, Serbia has taken concrete and visible steps towards full cooperation with ICTY.

Estonia has already been engaged in several know-how and experience-sharing cooperation projects in the Balkans (including direct contacts between different specialists) and is willing to follow the same pattern in the future, also in order to provide Estonia's pre-accession experience to support Serbia's progress towards EU membership.

#### **Summary:**

Estonia considers progress with the Serbian SAA very important for regional development and stabilisation and is supporting active steps in this respect. Estonia is of the position that additional pressure on Serbia to speed the process is not necessary.

### **3.4 Blockage of accession talks with Turkey, possibility of unblocking it**

Accession of Turkey to the EU is supported by the Estonian government. Public opinion is somewhat more vague and undefined. The situation with Turkey is rather complicated as the 8 currently open Chapters do not include the main issues covering the internal market acquis. 8 more Chapters have been frozen since the December 2006 European Council because of the problems between Turkey and the Republic of Cyprus (Northern Cyprus, the Ankara Protocol). 5 more Chapters have been blocked by France. Besides the highly problematic Chapters mentioned, there exists more hope for opening the Energy Chapter — even though this is to some extent politically complicated, due to opposition from the Republic of Cyprus.

The current Estonian position is in favour of proceeding with the steps taken and supporting Turkish accession to the EU.

However, Estonia is not ready to actively counter France's pessimism on Turkish accession, putting Estonia accordingly into a Policy Taker's position on this question.

### **3.5 Polish – Swedish initiatives for ENP Eastern Partnership**

Estonia welcomes the Polish–Swedish ENP Eastern Partnership creating new cooperation frameworks and spheres of interest for economic and later political cooperation between the EU and Eastern European states — promoting free market principles, enlargement of the internal market, giving visa freedom, regulation of JHA, etc.

The process would be apart from the development of the Mediterranean Partnership with Northern African states, which have a different historical experience and state structures and should therefore be treated differently from the Eastern European region.

Estonia is supporting the ENP Eastern Partnership at the highest level, finding it extremely important for Ukrainian and its neighbouring states' stability.

Estonia is a Policy Taker and a potential Policy Driver on this issue.

### **3.6 Strategy for the Black Sea Region/Black Sea Synergy Implementation assessment**

Estonia supports the EU's rapid initiative to implement the Strategy for the Black Sea Region. By supporting Turkish accession and deeper partnership with Ukraine, Georgia and Azerbaijan, Estonia finds the common Strategy for the Black Sea Region both necessary and reasonable (although compared to the ENP Eastern Partnership, the latter one gains more credibility in Estonian officials' eyes).

The Strategy is needed both for building regional security and giving a clear signal that the EU door is not closed for the Black Sea states.

Accordingly, Estonia is in the position that faster and more focused steps are needed in implementing the Strategy for the Black Sea Region.

Estonia is a Policy Taker on this question.

### **3.7 Strategy for the Baltic Sea Region (defined as a priority for the Swedish Presidency – second half 2009)**

Estonia, as a Baltic Sea state, is in favour of and a strong supporter of the common Baltic Sea Strategy and that the initiative will be opened during the Swedish Presidency. Estonia's concern and interest include among others energy security, environmental and economic issues. Estonia supports the most ambitious version of the Baltic Sea Strategy and the development of the Baltic Sea area into the first fully integrated region in the EU. When implemented, the Strategy should be short and focused. Major developments are needed in the questions of infrastructure and environmental protection.

Estonia is a strong supporter of the Swedish initiative for a more integrated Baltic Sea region by creating the Strategy for the Baltic Sea Region.

### **3.8 Revision of European Security Strategy (thought to be initiated by the French Presidency)**

Estonia supports the revision of the European Security Strategy, both because it is both partly outdated and because it is imbalanced towards the interests of the EU-15, rather than the EU-25 or EU-27. As a new NATO security strategy is being prepared simultaneously, Estonia sees it reasonable to revise the EU security agenda as well: threats, measures, priorities, financing and role sharing.

Estonia's participation in CFSP and ESDP could accelerate and be more meaningful if the "old Member States" were to appreciate better that the Baltic States do not have the same experience of 50 years of "peace and prosperity" like Western Europe, and still need time to overcome the traditional threats deriving from Russia. While Estonia is trying more and more to understand and follow "old Europe's" values, the next step for fruitful cooperation could be that the "old Member States" start to reflect more Baltic interests in the next European Security Strategy — thus a common security strategy would become common also in practice.

The dominance in agenda setting and decision-making of the E-3/EU (France, Germany, UK and the High Representative) or the G-6 in the Security Strategy may project the interests of the main financial contributors but still represent only a minority of EU citizens. If the EU wishes to bring the small states into field actions more, they need first to be taken into the agenda-setting and decision-making processes, which Estonia supports.

### **Conclusion**

From the perspective of the EU external affairs activities, the Estonian position can be described in the following way:

**A Policy Taker concerning accession talks with Turkey.**

**A Policy Taker on the question of opening accession talks with FYROM.**

**A Policy Taker on the question of Croatian membership.**

**A Policy Taker on the question of signing of the SAA with Serbia.**

**A Policy Taker in the fields of EU enlargement.**

**A Strong Policy Supporter in the Baltic Sea Strategy issues.**

**A Policy Supporter on the question of EU Security Strategy revision.**

**A Strong Policy Supporter in the implementation of the Strategy for the Black Sea Region.**

### **Main sources for the Estonian positions on EU foreign Policy:**

- The Government's Eu Policy For 2007-2011:  
[Http://www.Riigikantselei.Ee/Failed/Elpol\\_2007\\_2011\\_En.Pdf](http://www.Riigikantselei.Ee/Failed/Elpol_2007_2011_En.Pdf)

- Aims Of The Estonian Government During The French Presidency, Approved By The Government On 10.07.2008:  
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## VI. Freedom, Security and Justice

1. Overview
2. General issues:
  - 2.1. Common European asylum system
  - 2.2. Common European migration policy
  - 2.3. Enhanced role in co-operation of law enforcement agencies and their co-operation at EU level
  - 2.4. Harmonisation of serious aspects of cross-border crimes
3. Specific issues:
  - 3.1. Establishment of Eurosur (European border surveillance system)
  - 3.2. Establishment of entry-exit system and other border management tools
  - 3.3. Amendments of asylum-related regulations (2003/9/EC – reception conditions for asylum seekers, regulation 343/2003 on the determination of Member States responsible for assessing asylum applications)
  - 3.4. Evaluation of FRONTEX and the future developments in this area

### 1. Overview

Estonia's main priority since becoming an EU member – to join the Schengen area in December 2007, to conclude the necessary preparations successfully and open its land, sea and air borders at the end of 2007 – has been achieved.

Concerning solely Estonia, the main guidelines of the security policy of Estonia are based on the document approved by the *Riigikogu*, "The Basis of the Security Policy of the Republic of Estonia",<sup>25</sup> and the security policy objective of sustaining Estonian independence and sovereignty, territorial integrity, constitutional order and national security established therein. The latter is seconded by the National Security Concept of the Republic of Estonia (2004)<sup>26</sup> as well as 3 different laws regulating Crisis Management, Emergency Preparedness and Rescue Services.

Estonia believes that joint action in the framework of the European Union is an important element in implementing the principle of solidarity. The EU must become even more effective in supporting Member States in the field of civil protection. The greatest challenges in the following years include strengthening the capabilities of the Community mechanism for civil protection in response to major emergencies inside the EU, and enhanced cooperation regarding critical infrastructure protection.

In parallel, the objectives of Estonia in the field of JHA relate also to developing a legal migration policy, which would be based on the labour market needs of the Member States and would ensure effective instruments to control entry and exit of third-country nationals.

Estonia supports minimum harmonisation of rules at the EU level regarding the migration of highly qualified workers from third countries. It is also important that flexibility and a degree of opening of labour markets to third-country nationals should remain a decision of individual Member States. Additionally, Estonia supports the establishment of sanctions at the EU level against employers of illegal third-country nationals.

### The three most important issues include:

1. Development of the wider European immigration policy: the need to regulate illegal (im)migration, ameliorate labour market conditions, etc.<sup>27</sup> Estonia does not have any major problems in terms of immigration since there are few illegal immigrants or refugees, but almost 25% of Estonia's population has a residency permit but no citizenship. Estonia prefers a restricted EU immigration policy – no wide-spread harmonisation; the decision regarding (legal) immigration should be left to each individual Member State. It might not seem logical to see harmonised EU immigration policy as a priority while having very few immigrants and asylum seekers. But actually that is the case. It is easy for Estonia to cooperate and participate in far-reaching reforms on migration and asylum

<sup>25</sup> [http://www.siseministerium.ee/public/TPPS\\_eng.pdf](http://www.siseministerium.ee/public/TPPS_eng.pdf)

<sup>26</sup> [http://www.vm.ee/eng/kat\\_206/eng/kat\\_177/4665.html](http://www.vm.ee/eng/kat_206/eng/kat_177/4665.html)

<sup>27</sup> France, during its EU presidency in the second half of 2008, wished to further harmonise the EU's immigration and refugee policies and adopt a European immigration pact at the October Council. The European immigration pact generally conforms to Estonia's principles regarding immigration policy, as it allows sufficient flexibility for the Member States to regulate their own immigration.

questions as the costs will be very small and possible EU financing is seen as considerable.

2. Enhancing civil protection. As several civil protection challenges are cross-border, the securitisation measures also need to be jointly shared.
3. Developing the area of a single asylum space: adoption of the Pact for Asylum and Immigration. Additionally, Estonia supports both the adoption of legal instruments and the improvement of practical cooperation between national asylum authorities of the Member States. (This position does not concern a large number of asylum seekers, mainly those motivated by the possibility to have fast success as Estonia has very few practical problems in this area and can enact fast reforms. This very question is also popular in the media as, despite the low number of immigrants, the levels of fear and racism have been rising slightly. Accordingly, any EU activity and financing is seen as a positive means to help to solve the situation in a proactive way).

#### **Additionally:**

4. Future of the Lisbon Treaty: opening and concretisation of the "internal security" chapter.
5. Development of the Passenger Name Record (PNR). Estonia's interest is to guarantee a fuller exchange of information between national airports and state institutions to better prevent incidents of cross-border crimes (e.g. drug trafficking, terrorism, etc.).
6. Simplification of Estonia-Russia and Estonia-Georgia visa procedures and readmission criteria.

#### **Initiative and coalition-making**

On most issues regarding EU asylum, migration, border-control, etc. (as these questions are relatively new and not too urgent for Estonia), the government supports enhanced cooperation among Member States in order to build a safer network for European citizens and to guarantee basic rights for third-country nationals. Coalitions have to base themselves on similar interests and a willingness for policy development.

Estonia overwhelmingly agrees with the mainstream EU/EC opinions and supports further harmonisation activities, except for the migration of highly qualified workers from third countries and the resettlement of refugees. In practical terms, Estonia has also joined some ad hoc coalitions based purely on the nature of national interests on concrete questions.

In general, the tactics of Estonian coalition making is based on constant search for partners in specific upcoming themes/issues. Whenever a new EC decision/position is taken, the process of looking for the "like-minded" begins based on similar mutual gains to be achieved via the partnership (e.g. in cross-border crime issues etc.). Throughout the process, existing personal contacts serve as a good and important starting point.

#### **Existing coalitions**

- Cooperation with the Baltic States (Latvia and Lithuania): in policy preparation stage and consultations before position formulation for the Council of Ministers meetings.
- Cooperation is more intense among a wider group of "new" EU Member States as well: Latvia, Lithuania, Poland, Czech Republic and Slovenia.
- Baltic States and Poland: emotional "likeminded coalition" influenced by wider high policy (security) interests.
- Bilateral cooperation: with Latvia, Lithuania, Sweden, Finland, e.g. in visa and Schengen matters.
- Systematic cooperation with Nordic countries (Finland, Sweden, also Denmark): exchange of research data, harmonisation of procedures and methods, exchange of positions before the Council of Ministers meetings.

In general, Estonian officials strive to be more active in coalition formulation. Currently, local problems and challenges are considered to be quite different from other Member States' problems and priorities. However, Estonia tries more and more to get involved in the (informal) pre-discussion and pre-negotiation of the most critical and contemporary JHA themes, e.g. before the EU Councils.

### **Intra-state communication**

Freedom and security questions have been issues of heated debate both in the media and in roundtables bringing together civil servants, NGOs and academics.

Both research centres and universities have been in good cooperation with government offices. The most active partners have been the Open Estonian Foundation (an NGO), the PRAXIS Center for Policy Studies and Tartu University. The Jaan Tõnisson Institute (<http://www.jti.ee/?s=12>) has carried out several asylum related studies throughout the years.

State offices (Ministry of Internal Affairs and Ministry of Justice) have regular budget lines to finance the completion of state procurements/research studies also in the coming year 2009. The Ministry of Finance has audited the execution of Estonian asylum policy.

### **Major political views**

**Coalition parties:** From the one side Estonia has very few migrants; on the other hand public opinion is not very supportive of unregulated migration (vs. supporting the 4 freedoms inside the EU). The government is motivated by fast progress in measures ensuring harmonised measures and resources for asylum and external migration, and at the same time willing to ensure full freedom of movement inside the EU.

**Opposition parties:** The opposition parties have not been very active in the migration questions as the coalition's position dominates the media. The opposition tends to focus more on the historical Russian-speaking minority. The Estonian print media have had some debates mainly focusing on immigration and cross-border legal space in the EU. Most articles have not been critical in tone; they rather focus on understanding and forecasting the situation after the planned (EU) reforms.

**Academic groups:** JHA and security questions are some of the least researched fields in the European studies field in Estonia. The main debates are held about possible labour migration (both internal and external to the EU). The situation is seen problematic in both cases: first, as the labour force continues aging, and second, as cheap labour starts to come in.

## Table of national positions

\*please, refer to the methodology disclaimer in the supplements

Issue	Definition and Outlook	National Consensus	EU mainstream
1. Top three priorities	Policy Taker; likely to remain a Policy Taker	General Consensus, inconsistent opposition from the governmental opposition; position not likely to change substantially	Within the mainstream
2.1 Common European asylum system	Generally a Policy Taker; likely to remain a Policy Taker or become a Policy Killer vs. Policy Driver	Consensus on the general policy	Within the mainstream, except for the resettlement of refugees
2.2 Common European migration policy	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
2.3 Enhanced role in cooperation of law enforcement agencies and their cooperation at EU level	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
2.4 Harmonisation of serious aspects of cross-border crimes	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
3.1 Establishment of Eurosur (European border surveillance system)	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
3.2 Establishment of entry – exit system and other border management tools	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
3.3 Amendments of asylum – related regulations (2003/9/EC – reception conditions for asylum seekers, regulation 343/2003 on the determination of MS responsible for assessing asylum applications)	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
3.4 Evaluation of FRONTEX and the future developments in this area	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream

## 2. General issues

### 2.1 Common European asylum system

Estonia is interested in the establishment of a common European asylum system in near future, as this would ensure the establishment of a common asylum procedure and a uniform status for those who have been granted asylum or subsidiary protection status. In addition to the latter, Estonia supports both the adoption of legal instruments and the improvement of practical cooperation between national asylum authorities of the Member States. Estonia supports the idea of a single asylum space. Estonia is of the opinion that resettlement of refugees should continue to be voluntary for the Member States.

Estonia's first priority is the integration of immigrants currently residing in Estonia. Hence Estonia is not planning to resettle refugees in the coming years. At the same

time, Estonia fully supports the provision of financial aid by the European Commission to those Member States who are willing to participate in resettlement activities.

There is no agreement yet regarding the exact definition of circular migration between the Member States and the European Commission. This is primarily used to describe simplification of migration conditions between one or more EU Member States and a third country.

On most questions Estonia supports the legislation of the Pact for Asylum and Immigration.

Accordingly, Estonia is mainly a Policy Taker and a Policy Killer in questions of resettlement of refugees.

## **2.2 Common European migration policy**

Estonia supports further development of the common migration policy of the European Union and a more integrated approach to solving matters related to migration. It is important for Estonia that the migration policy of the European Union would not only focus on preventing illegal immigration, but would include cooperation with countries of origin and transit of immigrants, taking into account the needs of labour markets of the European Union and Member States, facilitating integration of immigrants and managing the accompanying social and cultural risks.

Estonia considers it important to develop legislation on the level of the European Union creating favourable conditions for immigration and residence of highly qualified workforce in the EU. It is important to promote legal migration; cooperate with third countries (spreading information regarding possibilities of legal migration, technical aid, etc.); develop further and, if possible, implement the concept of circular migration.

In preventing illegal immigration, it is important to enhance control of Europe's external borders, ensure effective implementation of readmission agreements, lay down sanctions for criminal cells organising illegal migration as well as operators creating demand by using illegal immigrant labour.

Estonia sees the need for more objective, reliable and comparable migration data and analysis, which can be achieved through open and coordinated cooperation between the Member States.

Accordingly, Estonia is mainly a Policy Taker on the issue. In most questions Estonia supports the legislation of the Pact for Asylum and Immigration.

## **2.3 Enhanced role in cooperation of law enforcement agencies and their cooperation at EU level (police cooperation and intelligence sharing)**

Estonian intra-state cooperation in JHA can be evaluated as very good (Ministry of internal Affairs, Rescue Services, Border Guards, Police, Central Criminal Police, etc.). As for the external dimension, there are a lot of well-functioning partnerships, ranging from harmonising databases to common operations with other European countries and Russia. For example, the Southern Police Prefecture has good cooperation with the Latvian Police; the Border Guard with Finland and Russia, especially in rescue and crisis operations, the latter including environmental disaster management. Due the small amount of resources Estonia has focused its efforts mainly on regional Europol and Eurojust activities.

It is in the interests of Estonia that the European Union enhances cooperation with its neighbours in civil and criminal matters. Estonia supports the European Union in encouraging its neighbours to join different international conventions regarding civil and criminal justice (e.g. various instruments developed by the Council of Europe and the Hague Conference on Private International Law).

Both Estonia and other Member States are impacted by the capacity of the Member States to conclude agreements with third countries in areas covered by EU legislation. Estonia recognises the need for a clearly established derogation in a community legal act regulating the corresponding area. Estonia is of the opinion that agreements concluded with third countries that contradict Community legislation must either be amended or denounced.

In the fight against crime, Estonia sees a significant role being played by the European Police Office (Europol) and, as a result, supports measures planned for enhancing the

institution's work, expanding its authority over crimes that are not directly related to organised crime. Estonia also supports Europol's participation in joint investigation teams in order to simplify and enhance the support of Europol to Member States in connection with cross-border preliminary investigation.

It is important to strengthen cooperation with Eurojust in order to fight cross-border organised crime more efficiently and improve the coordination of preliminary investigation and prosecution by competent authorities of Member States.

On the questions of further police cooperation and intelligence sharing, Estonian representatives have not raised any specific objections.

#### **Summary:**

Estonia supports close cooperation between Europol and Eurojust and is thus a Policy Taker.

### **2.4 Harmonisation of serious aspects of cross-border crimes**

#### **(applicable to such crimes as terrorism, trafficking, sexual exploitation, drugs etc. – harmonisation of substantive criminal law)**

Estonian support to the establishment of Europol and SIS II are crucial elements in the process of harmonisation of serious aspects of cross-border crimes. Fighting against organised crime, including human trafficking, terrorism and offences against children is an ongoing challenge for Estonian law enforcement and judicial authorities. Estonia supports the establishment of minimum rules and procedures at the EU level, regarding the necessary elements of a criminal offence and punishments for some types of cross-border crimes, such as drug-related crimes, human trafficking and crimes related to information technology.

Estonia considers it important that all crimes against humanity are treated equally on the European Union level. Estonia welcomes and supports the steps taken by the European Commission (public hearings, green paper) towards the development of a legally binding instrument aiming at the criminalisation of crimes committed by totalitarian regimes.

Estonia considers consistent activities for preventing terrorist acts to be of critical importance in the field of counter-terrorism. Estonia considers it necessary to pay particular attention to increasing the efficiency of the system for preventing money laundering and terrorist financing in a more general context (including prevention of use of the internet for money laundering and terrorist financing, prohibition of purchasing weapons of mass destruction, and also personal identification requirements).

Implementation of mutual recognition in criminal matters is important both in the pre-trial and post-trial phases. Estonia's purpose is to ensure equal treatment of all EU citizens during the entire criminal procedure. Estonia supports EU-wide legal provisions regarding procedural law, the presumption of innocence, supervision order and minimum standards of gathering evidence, exchange of information extracted from criminal records and cross-border supervision of probation measures and their rapid implementation.

Estonia supports the initiation of a discussion concerning compensation of unreasonable expenses related to the cross-border dimension of the criminal procedure. Estonia also considers it important that different sanctions established by the EU are mutually recognised amongst the Member States.

Estonia supports the widening of QMV and co-decision as described in the Lisbon Treaty, even though it does not always see a clear need for it.

Accordingly, Estonia is mainly a Policy Taker on the issue.

### **3. Specific issues**

#### **3.1 Establishment of Eurosur (European border surveillance system)**

Estonia supports the establishment of Eurosur and is also supporting all the main activities of Eurosur (detecting illegal immigrants, reducing death of illegal immigrants, reducing cross-border crime).

As it has quite a long EU external border, Estonia sees numerous advantages in terms of awareness and reaction capability. Additional information sharing and cooperation are seen fully in the Estonian interest. In some aspects Estonia has already started preparations for Eurosur — e.g. by modernising its surveillance systems. Estonia has also started to integrate its own border management-surveillance and intelligence databases into one comprehensive computerised system.

Estonia understands the needs of other Member States in the Mediterranean, Black Sea and Atlantic region. Estonia would welcome additional border cooperation in the CEE region but is not aware of or participating in any enhanced cooperation in that matter.

Estonia supports a step-by-step approach to the creation of Eurosur, based on the actual needs and joint interests of participating Member States. Estonian territory is part of the EU external border which means that by supporting the creation of Eurosur Estonia will be able to build and gain from a better border system and facilities.

### **3.2 Establishment of entry – exit system and other border management tools**

#### **(Common visa policy: visa reciprocity, readmission and visa facilitation agreements)**

Joining the Schengen system in December 2007 marked an important change in Estonian policies and approach. From now on, Estonia is interested in producing and developing the Schengen Information System II (SIS II), which has been static for a long time. This would be supported by the establishment of the Visa Information System (VIS), which Estonia supports as well in order to minimise the risk of illegal migrants and criminals affecting Estonian (and European) state security. VIS would be a system for the exchange of visa data between Member States, which represents one of the key initiatives within the EU policies aimed at supporting stability and security.

Developing a legal migration policy based on the labour market needs of the Member States and ensuring effective instruments to control entry and exit of third-country nationals is essential for Estonia. Despite the low number of asylum seekers and immigrants, the Estonian government is an active supporter of the entry-exit system and sees Estonia technologically and politically ready to participate in reforming and developing the entry-exit system.

Visa reciprocity as part of the common visa policy of the European Union must be based on the solidarity of Member States where the European Community is regarded as a single partner and a unified approach is established for visa requirements or visa exemptions with regard to citizens of third countries as well as those of the EU Member States. The conclusion of visa facilitation and readmission agreements with third countries must remain a priority of the migration policy of the European Union. Facilitating visa issuance procedures will help to develop relations between people as well as countries and to ensure quick performance of the readmission obligation of persons illegally residing in a Member State. Estonia considers it important that the implementation of concluded agreements is monitored, and in case a third country is not fulfilling its obligation of readmission the Commission should be prepared to limit the visa facilitations provided in the agreements.

Accordingly, Estonia is mainly a Policy Taker in the issue and a strong supporter of harmonised visa procedures.

### **3.3 Amendments of asylum – related regulations (2003/9/EC – reception conditions for asylum seekers, regulation 343/2003 on the determination of MS responsible for assessing asylum applications)**

Estonia has one of the lowest numbers of asylum seekers in the EU (approximately 10 persons in a year). Accordingly, the experience with asylum seekers' problems and challenges has mainly been received during information exchange and cooperation with other Member States. Also, as there are so few asylum seekers, standards for asylum application and reception are not a priority for Estonia. Most of the attention is paid to non-citizens already residing in Estonia.

However, as a responsible EU Member State, Estonia is ready to participate in the development of an EU asylum system and follow the standards of reception and treatment of asylum seekers. Accordingly, Estonia is a Policy Taker on the question of minimum standards on the reception of asylum applicants in the Member States. All necessary EU legislative acts are transposed into national legislation.

### **3.4 Evaluation of FRONTEX and the future developments in this area**

#### **(e.g. European Prosecutors Office)**

Estonia is interested in developing a technically advanced and unified monitoring system for border surveillance on all external borders of the European Union. In order to prevent illegal migration, it is important to efficiently implement an integrated border management of the external borders, including developing operational cooperation and cohesion between competent authorities. Estonia supports strengthening the authority of FRONTEX in managing joint operations and the use at the EU level of Rapid Border Intervention Teams (RABIT) and their resources in the prevention of massive illegal immigration.

Accordingly, Estonia is mainly a Policy Taker in the issue.

#### **Conclusion:**

In the majority of issues of Freedom, Security and Justice Estonia can be considered a Policy Taker. However, at certain points Estonia has demonstrated opposition to fuller harmonisation attempts in the EU and at other ones has the potential to become either a Policy Driver or a Policy Killer.

There are also some questions where Estonia does not see the need for further "communitisation" but is ready to accept a sense of solidarity and mutual responsibility among the EU Member States.

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## VII. Institutional issues

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2. General issues:
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  - 2.2. Position of the country and the different stakeholders (including public opinion) towards the Lisbon Treaty and the framework of changes introduced by it
  - 2.3. Alternative proposals to the institutional development of the EU, rated by the relative influence of their proponents (e.g. multi-speed Europe, one-voice foreign policy, etc.)
3. Specific issues:
  - 3.1. Position towards the main changes offered by the Lisbon Treaty:
    - Extended qualified majority voting;
    - European Parliament's increased role;
    - President of the European Council;
    - High Representative for Foreign Policy;
    - Revision of the representation in the European Commission;
    - Charter of Fundamental Rights legally binding
  - 3.2. Implementation of institutional innovations:
    - President of the European Council: competences vis-à-vis the rotating presidency, job description, secretariat and its size etc.
    - EU High Representative: competences vis-à-vis the two presidents, relation to other commissioners with external relations portfolios, competences and relations vis-à-vis the rotating presidency
    - EU External Action Service: Implementation of the EU External Action Service:
  - 3.3. Future of Lisbon Treaty ratification

### 1. Overview

The Estonian approach to the EU's institutional issues and the reform of the EU is based on the preceding processes, starting with the European Convention and the Laeken Declaration in 2001; followed by the preparations and failure of the EU Constitutional Treaty as well as of the Lisbon Treaty. The Estonian positions on EU issues are constantly being refreshed during the Government's weekly meetings, and presented in respective position papers. However, the institutional theme has largely been frozen since the year 2006.

The role of Estonia in institutional issues has mainly been one of a Policy Taker and not of an active Policy Driver, Promoter or Opposer. The only period when Estonia showed strong initiative and willingness to put through its ideas was during the European Convention, when Estonia fought for the principles of rotating presidency and of equal representation.

### The three most important issues coincide with the goals of the EC and include:

1. Ratification of the Lisbon Treaty and its institutional amendments. The Nice Treaty as an alternative is not seen as an effective solution for the EU in general and for Estonia as a Member State
2. Equal and proportional representation of Member States in the institutions. Estonia supports the enlargement of the EU and institutional arrangements giving a more equal representation to the New Member States, especially in the European Commission and its directorates.
3. Development of an effective and transparent institutional system. Creation of new procedures, principles or institutions is needed only if there is a clear vision that these principles, procedures and new bodies will be practically applicable.

### Initiative and coalition-making

Estonian coalition making on EU institutional issues is mostly functional and ad hoc in nature. From time to time there have been countries with which Estonia has aligned more often, for example, UK, Ireland and Germany (UK was a mentor before Estonia joined the EU, while coalition building and consultations with Germany have increased during 2008). It would nevertheless be more correct and prospective to assess the strength of different European Union wide networks in which Estonia is among the partners than to search for particular bilateral or multilateral partnerships.

### **Existing coalitions and coalition building methodology**

- Regular *tour de table* meetings of Prime Ministers before every European Council between the three Baltic States plus the Nordic Countries: getting an overview of and exchanging views on current issues; refraining from seeking a common line in politics.
- Benelux plus the three Baltic States: ad hoc meetings
- Bilateral relations: e.g. with the UK

### **Intra-state communication: only on a low level and rarely (occasional informational and dissemination events).**

Public debate on the institutional future has been somewhat more intensive in the media and in political groupings as some columnists and politicians favour this topic personally. Debates are, however, not held on specific questions but on the general developments of the EU. The main debating points include the further federalisation of the EU, the role of small states, and representing Estonian interests in the current and future institutional system.

Both the opposition (Centre Party, Greens and People's Union) and coalition parties (Reform-Liberal, Conservative Pro-Patria and Social Democrats) consider themselves Euro-pragmatists, neither enthusiasts nor sceptics. The differences lie only in how they describe each other: the opposition sees the coalition as euro-optimists, and the coalition sees the opposition as isolationists. The opposition is more supportive of pro-intergovernmental ideas, promoting keeping consensual political culture in the Council of Ministers and giving more control to national parliaments on setting the EU political agenda. The opposition is also critical of new "superstructures": President of the EU, Minister of Foreign Affairs of the EU and EU External Office. The coalition, on the other hand, is mainly a Policy Taker on most EU institutional questions, ready to agree on most of the reform-package issues if the other Member States would also agree with the exceptions described in the following parts of this chapter.

Analyses of academic groups have focused more on possible scenarios and consequences for Estonia caused by components of the planned institutional reform.

The overall position in Estonia has been that the EU institutional reforms can offer good possibilities for the representation of Estonian national interests but they demand more competence, experience and resources to be allocated for training officials and politicians on the EU political system.

**Table of national positions**

\*please, refer to the methodology disclaimer in the supplements

Issue	Definition and Outlook	National Consensus	EU mainstream
1. Top three priorities	Policy Taker; likely to remain a Policy Taker	General Consensus including some debate, mostly on broader issues and on the Government level (Policy Taker coalition vs. more pragmatic opposition); position not likely to change substantially	Within the mainstream
2.1 Representation of the country in the EU institutions: EC, European council, EP – a backgrounder	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
2.2 Position of the country and the different stakeholders (including public opinion) towards the Lisbon Treaty and the framework of changes introduced by it	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
2.3 Alternatives proposals to the institutional development of the EU, rated by the relative influence of their proponents (e.g. multi speed Europe, one-voice foreign policy, etc.)	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy, differing social sectors agreeing in the end / their role minimised	Within the mainstream
3.1 Position towards the main changes offered by the Lisbon Treaty (important in case the Lisbon Treaty is revamped and/or introduced through its separate elements) in case the treaty is scrapped – what innovations should be implemented (and how)			
3.1.1 Extended qualified majority voting (if the national position differs from the areas, envisaged in the Lisbon Treaty)	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
3.1.2 European Parliament increased role	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
3.1.3 President of the European Council	Policy Taker; potential Policy Killer	Consensus on the general policy	Within the mainstream with certain reservations
3.1.4 High Representative for Foreign Policy	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
3.1.5 Revision of the representation in the European Commission	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
3.1.6 Charter of Human Right legally binding	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
3.2 Implementation of institutional innovations			
3.2.1 President of the European Council: competences vis-à-vis the rotating presidency, job description, secretariat and its size etc.	Policy Taker; potential Policy Killer	Consensus on the general policy	Within the mainstream with certain reservations
3.2.2 EU High representative: competences vis-à-vis the two presidents, relation to other commissioners with external relations portfolio, competences and relations vis-à-vis the rotating presidency	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream
3.2.3 EU External Action Service: Implementation of the EU External Action Service (see also point VIII): what proportion of EU/national diplomats, who should pay for national diplomats (should they have status of EU officials or be seconded to EEAS; internal quotas?), institutional	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream

anchoring of EEAS (Commission, Council, separate, under what scrutiny?)			
3.3 Future of Lisbon Treaty ratification	Policy Taker; likely to remain a Policy Taker	Consensus on the general policy	Within the mainstream

## 2. General issues

### 2.1 Representation of the country in the EU institutions: EC, European council, EP – a backgrounder

Estonia's representation in the EU institutions and its general position about each element is as follows:

- European Commission: 1 commissioner; quite satisfied with it.
- European Parliament: 6 seats; satisfied with it.
- Council of Ministers/Council of the EU: 4 votes; would like to increase the number of votes. The representation in several Working Groups and Committees is satisfactory.
- European Council: Estonia is content with the representation and positions presented by the Prime Minister.

### 2.2 Position of the country and the different stakeholders (including public opinion) towards the Lisbon Treaty and the framework of changes introduced by it

The general political and academic opinion on the Lisbon Treaty is positive, favouring the ratification of the Treaty and the implementation of the new functioning system. The Estonian Parliament (*Riigikogu*) has already ratified it.<sup>28</sup> Public opinion on the Lisbon Treaty has not been measured as political groups try to avoid prioritising both the Lisbon Treaty and the importance of public opinion on that question. Print media have also not questioned people due to the concurrent financial cost as well as the short period of debate. Thus the Lisbon Treaty has not become a priority question in the eyes of the general public. At the same time, the overall popularity of the EU has been growing from 60% in 2004 to 76% in mid-2008 (survey conducted by EMOR). Going back in time, though, no special sessions and/or roundtables engaging various national stakeholders have been convened to discuss the Estonian positions towards the Lisbon Treaty. The content was discussed thoroughly during the preparation of the EU Constitutional Treaty, on which the later Lisbon Treaty was "built".

Cooperation between the State Chancellery (as one of the main institutional front-speakers on Estonian EU issues) and the academic sector has been rare and occasional. For its positions on EU institutional issues, the Estonian Government relies partly on the input gathered from several roundtables and cooperation sessions at the time of the European Convention in 2001. During the phase of preparing the Estonian positions for the Lisbon Treaty, no additional public or academic debates were arranged. Later, information events for the general public were organised in most counties.

### 2.3 Alternatives proposals to the institutional development of the EU, rated by the relative influence of their proponents (e.g. multi speed Europe, one-voice foreign policy, etc.)

Alternative proposals were debated in the media and the academic community but they did not find strong support.

The multi-speed Europe model was seen the most critically, as an approach to create different zones in the EU and push new, distant Member States to the periphery against their will. Also, some threats were raised that multi-speed Europe would mean more Russian influence in CEE states.

One-voice foreign policy was seen as an important goal to transform Europe into a stronger player in the world arena. Most of the writers were at the same time afraid that one-voice Europe would mean French-centred Europe or German-centred Europe, and in that case it would be better to avoid any developments towards it.

<sup>28</sup> Date of ratification by Riigikogu: 11 June 2008.

Some Eurosceptic groups also supported complete status quo and the stopping of further integration. This idea did not receive much public support.

### **3. Specific issues**

#### **3.1 Position towards the main changes offered by the Lisbon Treaty in case the treaty is scrapped – what innovations should be implemented (and how).**

The most important institutional reforms for Estonia written into the Lisbon Treaty are:

- Extended and reformed qualified majority voting
- High Representative for Foreign Policy and EU External Action Service
- Revision of the representation in the European Commission

All these reforms serve better efficiency and higher functionality in EU policy making. Estonia sees no problems in making a specific package for the functional institutional reforms needed after the EU enlargement. However, as long as the full Lisbon Treaty is on the table as an option, Estonia supports the ratification of the current version.

##### **3.1.1 Extended qualified majority voting (if the national position differs from the areas, envisaged in the Lisbon Treaty)**

Estonia supports the final version of qualified majority voting and finds it better than the previous allocations in the Nice Treaty and the Constitutional Treaty. The current version is seen as best possible compromise.

##### **3.1.2 European Parliament increased role**

Estonia welcomes the growing role and importance of the EP as a democratic institution. Estonia also supports the limitations on the number of seats in the Lisbon Treaty, and the reform of the system of legislative procedures.

Estonia is rather content with its number of seats in the EP (but happy to get one additional seat if possible). Estonia has no specific interests about the status of the European Parliament.

##### **3.1.3 President of the European Council**

Estonia does not fully support the establishment of the position of the President of the European Council but is ready to accept the changes to support the continuity of the institutional reform and ratification of the Lisbon Treaty.

Estonia has doubts relating to the questions of:

- the functional need for a Council President
- the EC President's political role relative to the Commissioners and Member State Parliaments' presidents as well as to the High Representative

##### **3.1.4 High Representative (HR) for Foreign Policy**

Estonia supports the integrated approach for establishing the High Representative position, but demands clarification on the practical functions and procedures of the High Representative and its support structures. Estonia is ready to support the establishment of an integrated EU External Action Service and a reformed position of the High Representative, also as a separate reform.

##### **3.1.5 Revision of the representation in the European Commission**

This question is one of the main Estonian priorities in the institutional reform.

Estonia supports the reduction of the number of Commission seats and the establishment of a rotation system if it will be transparent, equal and will ensure access to information also for the countries not having a commissioner during a certain period. Estonia finds the final version of the European Commission reform of seats and rotation better than the Constitutional Treaty version and is ready to support it.

##### **3.1.6 Charter of Human Right legally binding**

Estonia supports the inclusion of the Charter of Fundamental Rights in a legally binding way into the Lisbon Treaty, as it will bring the EU closer to the citizens and show its

practical benefits. Estonia supports the Lisbon Treaty version of the Charter of Fundamental Rights.

### **3.2 Implementation of institutional innovations:**

#### **3.2.1 President of the European Council: competences vis-à-vis the rotating presidency, job description, secretariat and its size etc.**

Estonia is not an eager supporter of the position of the President of the European Council. First, there is a danger that the position will increase the influence of bigger Member States. Second, together with the High Representative's, EC Commission President's and EP President's positions, the European Union may indulge into an increased and ineffective competition and functional overlapping. Third, Estonia would prefer a further clarification of the Council President's functions and competences (job description). Estonia stresses that the assisting secretariat should consist of a proportional representation of all Member States.

#### **3.2.2 EU High representative: competences vis-à-vis the two presidents, relation to other commissioners with external relations portfolio, competences and relations vis-à-vis the rotating presidency**

Estonia supports the integrated position where the new position combines the competences of the existing High Representative and the External Relations Commissioner (Vice-President of the Commission). Estonia is concerned that the detailed procedures and competences have not yet been fully clarified.

The High representative should be included in the Troika.

#### **3.2.3 EU External Action Service: Implementation of the EU External Action Service (see also point VIII): what proportion of EU/national diplomats, who should pay for national diplomats (should they have status of EU officials or be seconded to EEAS; internal quotas?), institutional anchoring of EEAS (Commission, Council, separate, under what scrutiny?)**

Estonia supports the implementation of the EU EAS and is optimistically and constructively minded towards all its aspects. As for the concrete structure of the EAS, there are 3 options on the table.<sup>29</sup> Estonia finds the integrated *sui generis* model, combining representatives from Member States, the EC and the EU Council, the most functional (and the most realistic of the three).

The most important issues to be defined are the reporting lines to the EC – via the EC, via Solana, via the Troika (Presidency, EU Council, Solana), etc. Estonia does not have an established position in this respect. One of the principal arguments for Estonia regarding EAS is the proportional recruitment and equal treatment of diplomats from the "old" and "new" Member States, and acknowledging the principle of proportionality.

Unfortunately, the debates on the EAS have been largely overshadowed by the negative vote from the Irish referendum. Otherwise, the EAS could already be functional today, which Estonia would have preferred. Currently, the issue is only at the back of other crucial issues, and signals about seriously bringing the issue onto the table do not seem very palpable.

### **3.3 Future of Lisbon Treaty ratification:**

- a) stop the ratification and renegotiate the treaty
- b) stop the ratification, take pause and introduce the most pressing innovations otherwise
- c) continue ratification and press Ireland to repeat the vote
- d) scrap the treaty altogether and continue working according to Nice
- e) any other scenario

<sup>29</sup> The three options for the EU EAS:

a) following the "EU Commission pattern" (favoured by the Estonian State Chancellery),  
 b) following the "EU Council pattern" (the Estonian Ministry of Foreign Affairs),  
 c) *sui generis*, i.e. a new model combining representatives from Member States, EC and EU Council (the most realistic of the three)

Currently, Estonia has ratified the Lisbon Treaty and the only way forward is for others to do the same (i.e. Ireland; Germany, Czech Republic and Poland). As the most critical country is Ireland, this country will be pushed to go through the ratification process, otherwise it would remain the only EU Member State outside "the circle".

Concerning the failure of the referendum in Ireland, Estonia has taken a 3-step-approach:

1. Estonia respects the opinion of the Irish public
2. Estonia is sorry for the outcome of the events as they are today
3. Estonia strongly supports the continuation of the ratification process (Logically, this means a new referendum in Ireland. However, the question remains how a positive Irish vote will be achieved because most probably the Irish public would not vote "yes" on the very same Treaty text. At the same time Estonia and other Member States do not support going through the long negotiation process again, i.e. sending commissioners from all EU Member States to discuss the content, etc.)

A serious side effect of the failure of the Lisbon Treaty referendum in Ireland is the "application and enforcement of the Nice Process" in the enlarged EU-27 at the beginning of 2009, which brings about many concerns as to the novel and unknown situation in a Union of greater than 26 Member States.

### **Conclusion:**

On institutional issues Estonia can in most cases be considered a Policy Taker, agreeing with the majority of EU Member States and the mainstream opinion. As for the Lisbon Treaty, Estonia strongly supports the continuation of the ratification and forcing Ireland either to accept the new institutional structure or be disregarded from the circle of decision makers. There are no significant stakeholders/groupings in Estonia who would oppose the above-mentioned "policy lines", block the official stance and/or demand the introduction of major changes.

### **Main sources for the Estonian positions on institutional reform are:**

- The Government's Eu Policy For 2007-2011:  
[Http://Www.Riigikantselei.Ee/Failid/Elpol\\_2007\\_2011\\_En.Pdf](http://www.Riigikantselei.Ee/Failid/Elpol_2007_2011_En.Pdf)
- Aims Of The Estonian Government During The French Presidency, Approved By The Government On 10.07.2008:  
[Http://Www.Riigikantselei.Ee/Failid/Ee\\_Fr\\_Eesm\\_Rgid\\_En.Pdf](http://www.Riigikantselei.Ee/Failid/Ee_Fr_Eesm_Rgid_En.Pdf)
- Aims Of The Estonian Government During The Slovenian Presidency, Approved By The Government On 24.01.2008:  
[Http://Www.Riigikantselei.Ee/Failid/Ee\\_Slovenia\\_Prioriteedid\\_Eng.Pdf](http://www.Riigikantselei.Ee/Failid/Ee_Slovenia_Prioriteedid_Eng.Pdf)
- Estonia's Priorities In The European Union During The Portuguese Presidency, Approved By The Government On 19.07.2007:  
[Http://Www.Riigikantselei.Ee/Failid/Portugalikokkuv\\_Teeng.Pdf](http://www.Riigikantselei.Ee/Failid/Portugalikokkuv_Teeng.Pdf)
- Aims Of The Estonian Government During The German Presidency, Approved By The Government On 18.01.2007:  
[Http://Www.Vm.Ee/Eng/Euro/Kat\\_486/8178.Html](http://www.Vm.Ee/Eng/Euro/Kat_486/8178.Html)
- Aims Of The Estonian Government During The Finnish Presidency, Approved By The Government On 06.07.2006: [Http://Web-Static.Vm.Ee/Static/Failid/077/Priorities\\_Finland.Pdf](http://Web-Static.Vm.Ee/Static/Failid/077/Priorities_Finland.Pdf)
- Aims Of The Estonian Government During The Austrian Presidency, Approved By The Government On 19.01.2006:  
[Http://Www.Riigikantselei.Ee/Failid/At\\_Eesm\\_Rgid\\_En\\_Kodulehele\\_.Pdf](http://www.Riigikantselei.Ee/Failid/At_Eesm_Rgid_En_Kodulehele_.Pdf)
- Aims Of The Estonian Government During The Uk Presidency, Approved By The Government On 14.07.2005: [Http://Web-Static.Vm.Ee/Static/Failid/456/Estonias\\_Priorities\\_During\\_Uk\\_Presidency.Pdf](http://Web-Static.Vm.Ee/Static/Failid/456/Estonias_Priorities_During_Uk_Presidency.Pdf)

**About the author**

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## Supplements

### Methodology notes

The research has been carried out by individual researchers in each of the ten new members on the basis of specially designed methodology, developed by EUROPEUM and major input from EuPI/OSI-Sofia. The seven policy areas under research are: I. Internal market/Lisbon Strategy; II. Minority integration and citizenship issues; III. Energy and climate change; IV. Budget review and CAP Health Check; V. EU foreign policy and enlargement; VI. Freedom, Security and Justice; VII. Institutional issues.

The research was carried out primarily in the period September 2008 – December 2009, but there may be references beyond this period. Some positions and circumstances described in the reports may have changed since the information was last made available to the researchers or reached the stage of publication.

The researchers' findings are published in ten country reports on each of the New Member States: Bulgaria, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia.

The structure of the country reports includes an overview of the country's performance as an EU member and seven chapters following the seven broad policy areas. Each chapter contains an overview of the position of this country in the area, including the top three national priorities. Then the chapters provide in-depth analyses, information and prognoses on a set of issues (defined as general and specific) within each of the seven policy areas.

The views expressed in the reports are those of the authors and do not necessarily reflect the views of the Open Society Institute – Sofia.

### Classifications: Policy Taker, Killer, and Driver explained

In the classification of this study, Policy Takers are those states that usually follow the mainstream in the EU and in general accept whatever is offered from the EU. The reasons may vary — from the lack of stakes and interests in the issue, to the lack of capacity to formulate a meaningful position, or they may have a position but lack the weight and experience to promote it.

The Policy Driver is a country that assertively promotes an issue at EU level. Ideally, a Policy Driver would have a broad political consensus and public support at home, capacity and expertise to advocate successfully, and carry the weight to gather coalitions and promote the policy. This may also imply additional legitimacy, measured also by the added value of this policy to the "European project" or adherence to the "European values" or "common European interest".

A Policy Killer is exactly the same as a Policy Driver, but with an opposite sign. In many cases, a Policy Killer country becomes a Driver if it succeeds in proposing a feasible and viable alternative to the policy it tried to prevent.

While all members are at some point "Policy Drivers" or "Killers", the crown of a "super Policy Driver" and "super Policy Killer" goes undoubtedly to Poland. Poland, the biggest of the new members, with enough self-confidence, has led an effective opposition to the Constitutional Treaty, the Lisbon Treaty, and to the energy and climate package.

### Tables of national positions: Explaining the exercise and words of caution

In the course of the current study, the country researchers were asked to classify the position and policy behaviour of the country as Policy Taker, Policy Driver or Policy Killer on the respective issues. The judgments had to be based on the level and character of activity, interest and involvement of the country in the given policy area. The researchers were also asked to provide a forecast for the short and medium-term positions and behaviour of the country, based on diverse factors triggering change — domestic political change, rise of powerful stakeholders able to promote or kill a policy, a window of opportunity to intervene, reversal of policy at EU level that causes negative reaction, etc.

The attempt at classification and forecasting (laid out in detail in the tables in each section) should be used with caution, as the positions and factors at play are nuanced, multifaceted and complex: simplified tick-boxes of classification, presented in the tables, can never be too accurate. Therefore, they are more for orientation purposes and the provided substantive reports should be consulted for a more detailed analytical description, as the authors themselves often point to several possible explanations and scenarios for future development.

<b>Country abbreviations</b>	
EU27 European Union - 27 Member States	
BE	Belgium
CZ	Czech Republic
BG	Bulgaria
DK	Denmark
<i>D-E</i>	<i>East Germany</i>
DE	Germany
<i>D-W</i>	<i>West Germany</i>
EE	Estonia
EL	Greece
ES	Spain
FR	France
IE	Ireland
IT	Italy
CY	Republic of Cyprus *
CY (tcc)	Zone not controlled by the government of the Republic of Cyprus
LT	Lithuania
LV	Latvia
LU	Luxembourg
HU	Hungary
MT	Malta
NL	Netherlands
AT	Austria
PL	Poland
PT	Portugal
RO	Romania
SI	Slovenia
SK	Slovakia
FI	Finland
SE	Sweden
UK	United Kingdom
HR	Croatia
TR	Turkey
MK	Republic of Macedonia

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### **About EuPI**

The European Policy Initiative (EuPI) of the Open Society Institute – Sofia aims at stimulating and assisting the New Member States from CEE to develop capacity for constructive co-authorship of common European policies at both government and civil society level. As a new priority area of the European Policies and Civic Participation Program of Open Society Institute – Sofia, EuPI will contribute to improving the capacity of New Member States to effectively impact common European policies through quality research, policy recommendations, networking and advocacy. The initiative operates in the ten New Member States from CEE through a network of experts and policy institutes.

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### **About EUROPEUM**

EUROPEUM Institute for European Policy is a non-profit, non-partisan and independent institute. It focuses on the issues of European integration and its impact on the transformation of political, economic and legal milieu in the Czech Republic. EUROPEUM strives to contribute to a long-lasting development of democracy, security, stability, freedom and solidarity across Europe. EUROPEUM formulates opinions and offers alternatives to internal reforms in the Czech Republic with a view of ensuring her full-fledged membership and respected position in the European Union.

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**EuPI major publications in 2009**

**\*The EU New Member States as Agenda Setters in the Enlarged European Union**

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