

## Estonia as an Engine of Integration

The Estonian Parliament Sets a Clear Course in the Constitutional Debate

Daniela Kietz / Andreas Maurer

On 8 February 2006 the Estonian parliament endorsed at first reading a law to ratify the Constitutional Treaty of the European Union (EU) against the background of intensifying debate on the future of the Treaty. Final Estonian ratification is due to take place before the end of Austria's EU Presidency in June 2006. There is good reason for taking the decision at precisely that point in time. Almost all heads of state and government have now presented their divergent starting points for the debate of the coming months—from Angela Merkel's proposal of a supplementary protocol on the social dimension of the EU to Jacques Chirac's plea for implementation of only a few parts of the Treaty. But it is still far from clear what the procedure should be with the Treaty, what chances of success the different conceivable options have, and along which lines a compromise is likely to emerge.

Whereas a number of governments at first declared the EU Constitutional Treaty to be dead, others—particularly those who have already ratified it—insist on a continuation of the ratification of the Treaty in its *current* form, if necessary with renegotiation of certain details or provision of explanatory notes. Others yet again argue for more substantial renegotiations or for individual elements of the Treaty to be cut out on the basis of the valid Treaty of Nice. Six months of reflection on the planned Treaty have left its future completely up in the air.

The EU Presidency is currently held by Austria, the first in a series of governments which support the ratification of the Treaty—it is to be followed by Finland, Germany, Portugal and Slovenia. The

Austrian EU Presidency hopes to present a 'road map to ratification' by the summer of 2006 when the heads of state and government conduct an interim evaluation of the pause for reflection. The elections in France and the Netherlands in the summer of 2007, the expected change of prime minister in Britain and the uncertain position of the Eurosceptic parties in the Czech Republic all contribute to make the current situation quite uncertain.

Given this situation, the Estonian government and parliament plan to use the window of opportunity around the time of the next European Council session to ratify the Treaty and make a forthright political declaration in favour of a more efficient and democratic EU. They also intend to

send a positive signal to the Member States in which ratification has not yet taken place. According to foreign minister Urmas Paet, Estonia wants to show that it is 'prepared to think beyond everyday politics and to face the challenges confronting the EU'.

## **Estonia and the EU**

### **Economic Paragon on Course for the Euro**

In the 1990s Estonia rose to become a model country among the ten candidates for accession to the EU. It achieved this through swift transition to democratic political institutions and market-economic structures with a high degree of macroeconomic stability. No other candidate country replaced former Soviet cadres with its own young personnel so consistently or implemented a currency reform and sweeping liberal reforms in the economy so speedily, beginning in the early 1990s. The development of this 'Baltic Tiger' is a unique success story of liberal economic policy—Estonia's effective reduction of trade barriers, its fast and efficient privatisation, a low flat-tax rate, stable currency, low fiscal deficit and even a continuously high level of economic growth compared with other EU-10 countries have made it the most competitive economy in central and eastern Europe.

Estonia thus belonged to the first group of new EU Member States to join the European Exchange Rate Mechanism II in June 2004—the preliminary stage of accession to the Euro-zone which is planned for January 2007. The heads of government of Estonia and the other two Baltic countries are also jointly pressing to become part of the Schengen area in 2007, which ensures freedom of movement for persons within the EU and joint surveillance of the Union's external borders.

### **Broad Consensus among the Elites**

A fundamentally positive, pro-integration attitude towards the EU predominates

among Estonia's political elites. This attitude is based on the realisation, shaped by historical experience, that only integration into NATO and the EU can guarantee the measure of security, social modernisation and economic prosperity which the country wants. This consensus among Estonia's parties is the reason for the country's very stable foreign and economic policy. Despite frequent changes of government, every new government clearly states its adherence to the EU.

Distinct Eurosceptic views are only to be found in very small parties at the extremist fringes of the political spectrum. In the past, moderately critical stances towards the EU were occasionally assumed by the rural-agrarian People's Union and the left-of-centre Estonian Centre Party. Their criticisms were motivated mainly by domestic concerns and their aim was to gain the support of sections of the Eurosceptic electorate. The involvement of both parties in government has had a moderating effect on their attitudes towards the EU.

Tallinn therefore does not obstinately insist on Estonian interests. On the contrary, the divergent interests in the Council of Ministers would make obstructionism incompatible with the role Estonia lays claims to—that of a forerunner of integration in the group of new EU Member States. Alone the country's small size and its limited human resources make it necessary for Estonia to act in a spirit of compromise and consensus—a characteristic which was visible throughout the accession process and has also been manifest since membership. Estonia sees its economic prosperity and the degree of security it has attained as being intimately tied up with its successful cooperation within the EU, and an efficiently functioning EU is thus in its vital interest.

In this respect the EU Constitutional Treaty is seen in Estonia as the best possible conclusion of a long negotiation process. Consensus on the ratification of the Constitutional Treaty extends to all of the larger parties. The reforms achieved in

the Constitutional Treaty, such as the substantial simplification of the EU Treaties, greater integration in justice and home affairs and institutional reforms in the European Parliament and the Council of Ministers are explicitly greeted and expected to bring greater efficiency and more democracy to the EU. Being firmly pro-NATO in orientation, Estonia prefers to tread carefully in the field of common EU foreign, security and defence policy, but it explicitly supports the Constitutional Treaty's changes in this area and hopes they will enable the Union to relate more confidently to non-EU countries.

### **Estonian Citizens' Attitudes to the EU**

In contrast to Estonia's pro-European elites, which are willing to compromise, its population is rather more Eurosceptic. In fact, average rates of satisfaction prior to the country's accession were very low—only in Latvia were they lower. Even after joining, Estonia is still in the bottom quarter of countries in terms of its population's satisfaction with the EU. Leaving aside the large proportion of general indifference towards the EU, there has actually been a clear rise in positive opinion: the proportion of negative votes dropped by eleven percent to a level of ten percent and has since remained constant. There is a positive trend towards 'net support' for the EU. But the majority of Estonians remain neutral or are simply uninterested. This deep-rooted neutral indifference of the population has much to do with the historical experiences of Estonians and helps explain their general mistrust of state institutions and politics at all levels.

The spread of Eurosceptic attitudes in a population is a very complex phenomenon. In new and old Member States alike it is determined not so much by the actual substance of EU membership but more by its socio-economic context and the way national governments present processes in the EU. The influence of actual EU-related issues on the assessment of politics is more

sporadic and coincidental. Another factor in Estonia's case is that the country has been shaped by centuries of foreign domination, particularly by Sweden and Russia. Some sections of Estonian society thus tend to be sceptical about surrendering sovereignty to a 'union', though they in no way question their own European identity.

Approval for ratification of the Constitutional Treaty has risen steadily in the last twelve months from thirty-one to fifty-two percent. When asked the reason for their approval, fifty-nine percent of the Estonians interviewed said they expected the EU to become more efficient.

### **Prospects**

In the wake of EU-enlargement it was often asked what real contribution the new Member States made to the EU. At the same time their commitment at European level was found to be lacking—they were only perceived as active partners with clear priorities and negotiation preferences when the time came to share out money. But the Baltic states have proved, not least with their stance on the Constitutional Treaty, that this reproach can hardly be directed at them. Lithuania was the very first EU Member State to ratify the Treaty, and Latvia was among the group of states which set a positive example by endorsing the Treaty immediately after the failure of the referendums in France and the Netherlands—in spite of the ratification crisis.

Now it is the Estonian government and parliament which have unilaterally ended the EU's general halt to ratification pronounced in June 2005. They will ratify the Treaty towards the end of the Austrian EU Presidency and use the momentum of intensified debate on the Treaty to clearly state their commitment to the Union and the Constitutional Treaty—a declaration which some of the older states have yet to make.

## Harnessing the Dynamism

Constitutional debate has been rekindled, and Estonia is the first state to have dared to jump in the deep end given the uncertain future of the EU Constitutional Treaty. As such, Estonia could send a signal in particular to Finland, with which it cooperates closely at various levels. In the summer of 2006 Finland will take over the EU Presidency which is certain to be overshadowed by the debate on the Constitution, and ratification of the Treaty by the parliament in Helsinki would be a strong starting position.

Advancing the EU Constitutional Treaty under the current circumstances is also set to be one of the priorities of the German EU Presidency due to begin in January 2007. In this time-frame it may be possible to support or encourage ratification in Sweden, Portugal and Ireland. Germany should seek to open discussions with Britain, the Czech Republic and Poland at both government and parliamentary levels to seek a schedule for ratification of the Treaty. It is no help to the proponents of the Treaty—or its largely concealed opponents—if the question of the Treaty's future is delayed indefinitely due to an extended and ultimately aimless debate on the 'future of Europe'.

Nor is it much help to suggest that the issue of ratifying the Constitutional Treaty be put off until the outcome of the upcoming elections in France and the Netherlands is known. Because even now attempts can be made at parliamentary, political-group and party level to exact a commitment from potentially influential figures in these two countries and involve them in the 'road map' for the rest of the Treaty procedure. Let us recall that leading figures in the current Dutch government have taken a clear stance and repeatedly declared the Treaty to be dead.

Thus the *Bundestag* (Germany parliament) and Germany's political parties have good reason to encourage the Dutch opposition to come out on this issue. It is similar with France—here too representatives of the current governing majority have spoken out

clearly against the Constitutional Treaty (Chirac) or for pruning it down to the bare basics (Sarkozy). No such frank opinions have yet been heard from the opposition. It is perhaps understandable that none of the candidates for the French presidency or for taking over the affairs of government want to openly commit themselves to one option or another at this point. But Franco-German relations between the parliaments and parties should be sufficiently strong to allow reliable positions on the future of the Treaty to be sounded out, even if these be informal statements rather than public declarations.

In this context it would be a significant sign of support for the efforts of the German government, *Bundestag* and *Bundesrat* (upper house) if the German President promptly signed the country's ratification law, though the process cannot be officially completed before the Federal Constitutional Court has heard the complaint by *Bundestag* member Peter Gauweiler about an alleged infringement of the German constitution. The regional parliament in Flanders recently concluded ratification of the EU Constitutional Treaty and the procedure is soon also to be concluded in Estonia, so this would be just the right juncture for Germany to make a robust political declaration of its commitment to the Constitutional Treaty.

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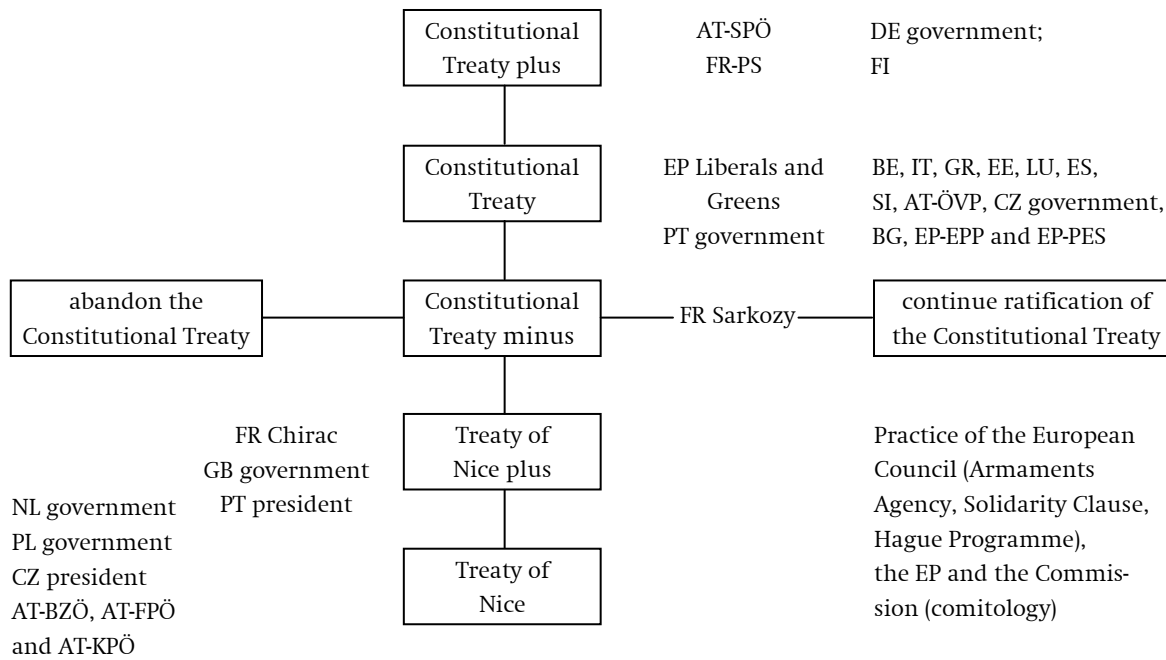
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**Abbreviations:**

AT-BZÖ Alliance for the Future of Austria	EP-PES Party of European Social Democrats
AT-FPÖ Austrian Freedom Party	ES Spain
AT-KPÖ Austrian Communist Party	FI Finland
AT-ÖVP Austrian People's Party	FR France
AT-SPÖ Austrian Social Democratic Party	FR-PS French Socialist Party
BE Belgium	GB United Kingdom
BG Bulgaria	GR Greece
CZ Czech Republic	IT Italy
DE Federal Republic of Germany	LU Luxembourg
EE Estonia	NL The Netherlands
EP European Parliament	PT Portugal
EP-EPP European People's Party	PL Poland
	SI Slovenia

**Table**

**Attitudes to EU-Membership in the Estonian Population**

<i>Year (autumn / summer)</i>	<i>Approval</i>	<i>Disapproval</i>	<i>Neither/Nor</i>	<i>Undecided</i>
99/00 winter	29	13	45	13
2001 a	33	14	38	15
2002 s	35	20	31	14
2002 a	31	16	42	11
2003 s	31	16	42	10
2003 a	38	16	37	8
2004 s	31	21	39	9
2004 a	52	10	36	3
2005 s	48	10	39	4
2005 a	41	11	42	5

Source: Eurobarometer data (compilation).