



Country Issue: Estonia



## The Relaunch of Europe

Mapping Member States' Reform Interests

**Europa**

**ie** Institut für  
**ip** Europäische Politik

**FRIEDRICH  
EBERT**  
  
**STIFTUNG**

## Europe needs social democracy!

Why do we really want Europe? Can we demonstrate to European citizens the opportunities offered by social politics and a strong social democracy in Europe? This is the aim of the new Friedrich-Ebert-Stiftung project »Politics for Europe«. It shows that European integration can be done in a democratic, economic and socially balanced way and with a reliable foreign policy.

The following issues will be particularly important:

- Democratic Europe
- Economic and social policy in Europe
- Foreign and security policy in Europe

The FES will devote itself to these issues in publications and events throughout 2015–2018: we start from citizens' concerns, identify new positions with decision-makers and lay out alternative policy approaches. We want a debate with you about »Politics for Europe«!

Further information on the project can be found here:

<http://www.fes.de/europa>

## Friedrich-Ebert-Stiftung

The Friedrich-Ebert-Stiftung (FES) is the oldest political foundation in Germany with a rich tradition dating back to its foundation in 1925. Today, it remains loyal to the legacy of its namesake and campaigns for the core ideas and values of social democracy: freedom, justice and solidarity. It has a close connection to social democracy and free trade unions.

FES promotes the advancement of social democracy, in particular by:

- Political educational work to strengthen civil society
- Think Tanks
- International cooperation with our international network of offices in more than 100 countries
- Support for talented young people
- Maintaining the collective memory of social democracy with archives, libraries and more.

## About the authors

Carmen Gerstenmeyer, Julia Klein, Julian Plottka, Jana Schubert, Amelie Tittel, all IEP.  
Stefano Braghiroli, Maili Vilson, Johan Skytte, Institute of Political Studies, University of Tartu.

Institut für Europäische Politik (Institute for European Politics, IEP) is one of the leading foreign and European policy research centres in the Federal Republic of Germany dedicated to the study of European integration.

Further information on the project can be found here:

[www.relaunch-europe.eu](http://www.relaunch-europe.eu)

## Responsible for this publication in the FES

Dr. Dominika Biegón, Friedrich-Ebert-Stiftung (FES).  
Arne Schildberg, Friedrich-Ebert-Stiftung (FES).

Deadline for data collection: September 2017

Editorial deadline: June 2018

# Contents

## **2 THE RELAUNCH OF EUROPE**

### **3 ESTONIA**

Social Union

European Economic and Monetary Union

European Defence Union

Asylum and Migration

Polity

White Paper Process

### **6 LEGEND**

### **7 REFERENCES**

# THE RELAUNCH OF EUROPE

## MAPPING MEMBER STATES' REFORM INTERESTS

*The Relaunch of Europe. Mapping Member States' Reform Interests (RelaunchEU)* is a project conducted by the Institut für Europäische Politik (IEP) on behalf of the Friedrich-Ebert-Stiftung (FES) that surveys the implementation prospects for twelve concrete reform proposals. It covers the policy areas of Social Union, Economic and Monetary Union and Defence Union as well as asylum and migration policy and the EU's institutional set-up. Furthermore, it analyses the support for flexible integration and the positioning towards the five scenarios presented in the European Commission's »White Paper on the Future of Europe« of spring 2017. It covers the positions of national governments and of relevant progressive political parties, which received a minimum share of 5 % of the votes in the previous European or national elections.<sup>1</sup>

The study follows two main objectives: (1) It demonstrates the scope of action for prompt reforms of the EU in the selected policy areas while also taking into account which member states would, under certain conditions, be willing to implement the specific proposals. (2) It empirically determines which member states could belong to an avant-garde group willing to deepen integration.

Researchers from think tanks and research institutions in the member states of the EU-27 compiled information to determine the position of governments and progressive political parties towards the twelve reform proposals. This qualitative analysis reflects the country experts' views and is based on documents such as coalition agreements, government or party programmes, position papers, press releases, interviews, op-ed pieces, and official documents. It presents a snapshot of the discussions within the governments and parties. In order to keep the country issues short, internal debates and deviating opinions cannot be covered in detail. Positions are subject to change, especially following elections and the formation of new governments. The snapshot was taken at the end of September 2017. More recent developments could not be included. Notable exceptions are the country issues of Austria and Germany, which were updated following the latest coalition negotiations.

The study's results are published in English on the website [www.relaunch-europe.eu](http://www.relaunch-europe.eu). It presents maps for every actor and reform proposal, 27 country issues and an analytical paper. The paper compares the positions of all actors in all member states of the EU-27 on the twelve concrete reform proposals and presents five flagship-projects, which bear the chance for a relaunch of Europe.

---

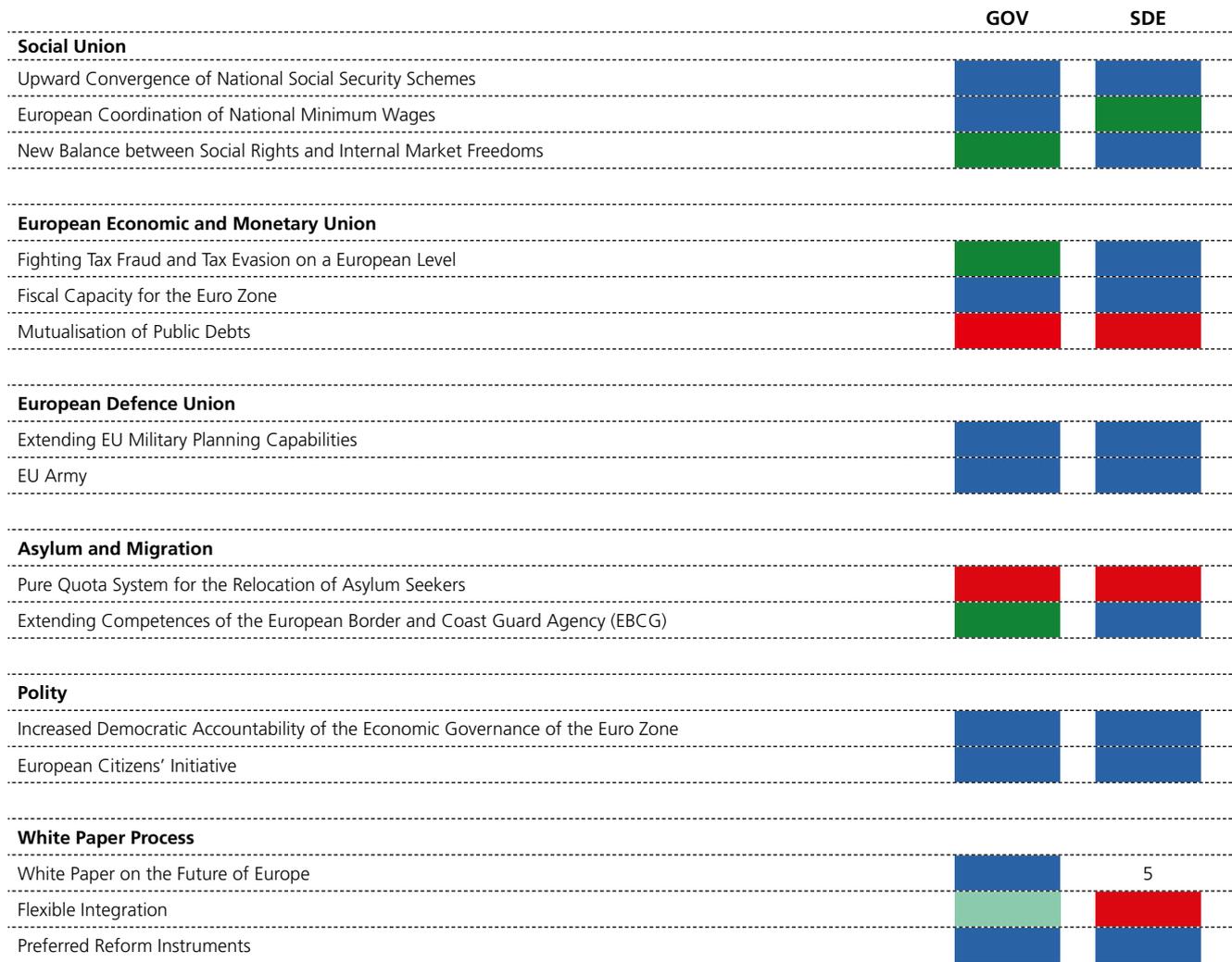
<sup>1</sup> If a party fulfills this criterion, but is not a relevant actor in the national public debate anymore, it was deleted from the sample based on the judgement of the projects' country expert.

# ESTONIA

Since November 2016, Estonia's current coalition government consists of the Centre Party, which is popular among Estonia's large Russian-speaking minority and joined forces with the *Sotsiaaldemokraatlik Erakond* (SDE) and the conservative Pro

Patria and Res Publica Union (IRL). Originally, the Reform Party (RE) had formed a coalition with the SDE and the IRL after parliamentary elections in 2015, but the Prime Minister (RE) was forced to resign after a vote of no confidence in the parliament.

## Support of the Estonian Government and the SDE for Deepening EU Integration



**Legend**

- support for
- support under conditions
- against
- neutral

- GOV** National Government
- SDE** Sotsiaaldemokraatlik Erakond

- 1 – Scenario 1: »Carrying on«
- 2 – Scenario 2: »Nothing but the single market«
- 3 – Scenario 3: »Those who want more do more«
- 4 – Scenario 4: »Doing less more efficiently«
- 5 – Scenario 5: »Doing much more together«

## SOCIAL UNION

Neither the Estonian government nor SDE have positions on **upward convergence of national social security schemes**, as the national debate currently focusses exclusively on legal acts and programmes improving the social security scheme on a national level. Hence, the government recently approved 300 million euro additional funding in support of the national social security scheme over the next five years and an additional compensation for high medical expenses addressing low-income citizens. These initiatives were actively sponsored by the SDE. Parts of the SDE support the EU serving as a catalyst to raise social standards and social equality. Moreover, the government has no available position on the reform proposal of a **European coordination of national minimum wages**, while SDE supports such an idea. The current minimum wage in Estonia amounts to 500 euro and, in relation to the median income, ranks among the lowest across the EU. This might make an increased minimum wage attractive. However, wages in Estonia have recently risen significantly, but are not sustainable compared to the overall national economic growth. Thus, the issue of different levels of national minimum wages across the EU will definitely remain a point of discussion. In general, the Estonian government is supportive of a **new balance between social rights and internal market freedoms**, whereas SDE is supportive under conditions. The Estonian Council Presidency's agenda organised by the government clearly sides with the initiative to update social security coordination regulations in order to ensure that EU citizens living in another EU member state enjoy the social rights they are entitled to. For this reason, the Estonian Council Presidency endorses a project initiated by the European Commission on the electronic exchange of social security data. In relation to the reform of the Posted Workers Directive, the Estonian Council Presidency aimed at finding a fair balance between ensuring the rights of posted workers and the freedom of companies to provide services to the Single Market. It also welcomed the proposal of a European pillar of social rights, supported its approval and further focussed discussions on ensuring social rights of EU citizens. Although the SDE has no official stance concerning this reform proposal, many party factions are in favour of increasing the social dimension of the Single Market in order to widen the scope of social rights in relation to the four freedoms.

## EUROPEAN ECONOMIC AND MONETARY UNION

In general, the Estonian government is supportive of **fighting tax fraud and tax evasion on a European level**, while the SDE has no clear position. Ensuring fair competition is one of the government's priorities of its 2017 Council Presidency. Thus, the government aims to continue with the discussions on the proposal for a Council Directive on a Common Consolidated Corporate Tax Base (CCCTB), especially assessing the impact of the CCCTB on states' tax

revenues. A priority for the government is for tax regulation to be as clear as possible in order to fight tax fraud. The reverse charge mechanism in particular is a key issue for Estonia in order to improve the business environment and prevent VAT fraud. There is, however, widespread scepticism both at the government and party level when it comes to the introduction of a common corporate tax rate. In general, there is support for closer cooperation between the EU member states in the field of fiscal policy in Estonia; however, any specific measures on a **fiscal capacity for the euro zone** would need to be analysed more clearly. So far, the government has not taken a clear position and there has been no debate on the matter in both the government and the SDE either. The positions of the Estonian government and the SDE on opposing the **mutualisation of public debt** in the EU appear very similar – and are common to most of the political forces in the country: Mutualisation of public debts might be discussed as a possible option, when all member states – especially the ones most affected by high expenditures and public debts – will have adopted and implemented concrete and long-lasting steps towards fiscal discipline and credible tools of fiscal discipline are introduced at EU level. However, there has been widespread scepticism concerning Eurobonds, which are seen to hinder the stability of the entire euro zone.

## EUROPEAN DEFENCE UNION

In general the Estonian government is undecided on **extending EU military planning capabilities**, whereas there is no available position of the SDE. The Estonian Council Presidency supports initiatives to further develop the Common Security and Defence Policy and to increase the EU defence capabilities. Therefore, it fostered discussions on the implementation of a Permanent Structured Cooperation, which has led to a common notification signed by 23 member states and handed over to the High Representative and the Council. Furthermore, it promoted the European Defence Fund, an increase in member states' defence expenditure, and the EU-NATO partnership. Thus, both actors are concerned that further integrated defence cooperation might duplicate NATO structures, which is considered to be the main military organisation and security provider. In this regard, the Estonian defence minister stresses that EU and NATO should complement one another in order to maximise the potential of both organisations. A closer EU defence cooperation must take place under the NATO umbrella. However, the Estonian government and the SDE are rather indecisive regarding the creation of an **EU army**, although the idea of more integrated defence cooperation finds their support. The Defence Minister pointed out that several EU initiatives such as the battle groups have not reached a level of integration and readiness whereby Estonia would be comfortable taking part in. A comprehensive defence concept and extensive cooperation, therefore, need to encompass various actors such as the United Kingdom or the United States of America, and institutions to guarantee the national security.

## ASYLUM AND MIGRATION

Neither the government nor the SDE support the deepening of the Common European Asylum System (CEAS). However, the government stated that the CEAS needs to be modernised »to ensure its proper functioning and uniform conditions for people applying for and receiving asylum in Europe« in the programme for its Presidency of the Council of the EU. Both the government and the SDE are not in favour of reforming the Dublin system entirely; they especially oppose substituting it with a mandatory **pure quota system for asylum seekers** to manage relocation and redistribution. This stance also reflects the public sentiment in Estonia, as migration and asylum issues are of major concern. The SDE, known for supporting a more humanitarian domestic refugee policy, has strongly defended the EU relocation decisions in 2015 to accept refugees coming to Estonia. However, it has also promoted the repatriation of asylum seekers to their countries of origin. When assuming the Presidency of the Council of the EU, Estonia's government placed particular emphasis on the implementation of partnership frameworks with third countries and better coordination with transit countries and the migrants' countries of origin in order to significantly decrease the number of migrants and asylum seekers coming to Europe. The further integration of the control of the Schengen area's external borders as well as a re-organisation of Frontex is supported by the Estonian government. The SDE, also tends to be in favour of re-organising Frontex as part of an effort to empower the **European Border and Coast Guard Agency (EBCG)**, although no official stance has been expressed so far.

support for scenario 5, »doing much more together«, highlighting that this should not only mean to increase the EU's competences, but also the efficiency of the EU's work. While the SDE opposes the model of **flexible integration** as it fears that Estonia might fall behind in the integration process, the government's position remains vague. Officials have expressed some support for the concept of differentiated integration under the condition that the EU remains united, but have not elaborated on the issue any further.

## POLITY

In principle, both the government and the SDE support the idea of reform proposals of the euro zone that indicate further EU integration. However, none of them have outlined preferences regarding proposals aiming at **increasing the democratic accountability of the economic governance of the euro zone**. The **European Citizens' Initiative (ECI)** is rarely mentioned by the government and the SDE. However, the government underlines that in the context of engaging citizens in the law-making processes, Estonia has made positive experiences regarding digital solutions. The Social Democrats generally support the inclusion of citizens into decision-making and initiative-taking processes.

## WHITE PAPER PROCESS

Political discussions in Estonia regarding the **»White Paper on the Future of Europe«** have not yet resulted in clear positions. Thus, the Estonian government has stressed that a strong and united European Union is in Estonia's best interest, but has not endorsed a single scenario. It rather suggested that a combination of the different scenarios might be the most feasible solution. The SDE has expressed its

## Legend

### Actors Covered by the Study in each EU Member State

- *National Government*: including its members from one or more political parties, the Head of State or Government, relevant executive ministers and administration.
- *Progressive Parties*: They include all parties that are represented either in the Group of the Progressive Alliance of Socialists and Democrats in the European Parliament (S&D) or that are members of the Party of European Socialists (PES) and have gained a minimum share of 5 % of the votes in the last national or European elections. They also include La République en Marche (REM) in France.

### Concrete Reform Options in Different Policy Areas

#### **Social Union**

1. *Upward Convergence of National Social Security Schemes* to provide Europe-wide protection against social risks and to ensure a decent standard of living for EU citizens.
2. *European Coordination of National Minimum Wages* to ensure a decent income within the EU to prevent in-work poverty, to promote social convergence and to avoid social dumping across the EU.
3. *New Balance of Social Rights and Internal Market Freedoms* to compensate the current precedence of internal market freedoms over national social rights.

#### **European Economic and Monetary Union**

4. *Fighting Tax Fraud and Tax Evasion on a European Level* for a fair allocation of tax burdens among natural and judicial persons.
5. *Fiscal Capacity for the Euro Zone* to provide stabilisation against economic shocks through public expenditure in the euro zone.
6. *Mutualisation of Public Debts* to tackle the problem of a sharp increase in public debts in some member states as a result of the euro zone crisis.

#### **European Defence Union**

7. *Extending EU Military Planning Capabilities* also for executive military missions and operations.
8. *EU Army* establishing a permanent multinational military force under European command.

#### **Asylum and Migration**

9. *Pure Quota System for the Relocation of Asylum Seekers* which would replace the Dublin system.
10. *More Competences for the European Border and Coast Guard Agency (EBCG)* expanding the current EBCG tasks in terms of »shared responsibility« between the EBCG and national authorities.

#### **Polity**

11. *Increase Democratic Accountability of the Economic Governance of the Euro Zone* to make its institutions more responsive to EU citizens.
12. *European Citizens' Initiative (ECI)*: revision of the ECI regulation to make the instrument more citizen-friendly and effective in order to strengthen the participative democracy in the EU.

#### **White Paper Process**

13. *The White Paper on the Future of Europe* by the European Commission presents five possible scenarios for the future course of European integration.
14. *Flexible Integration*: limiting the application of certain rules to certain EU member states.
15. *Preferred Reform Instrument*: Treaty reform, reforms inside or outside the Treaties.

# References

- Anvelt, Andres** (2017): Anvelt: tagasisaatmine on parim viis rändekriisi leevendada . <http://www.err.ee/586163/anvelt-tagasisaatmine-on-parim-viis-randekriisi-leevendada> (12.12.2017).
- Coordinating the Estonian Presidency** (no date): Rahandusministri arutasid Brüsselis Euroopa Liidu käibemaksuteemasid. <https://www.eesis-tumine.ee/et/uudised/rahandusministrid-arutasid-brusselis-euroopa-liidu-kaiibemaksuteemasid> (12.12.2017).
- Eesti Reformierakond** (2015): Koalitsioonilepe 2015 - 2016 RE & SDE & IRL. <https://www.reform.ee/koalitsioonilepe> (12.12.2017).
- Err.ee** (2016): Eesti kodanikud peavad pagulasteemat probleemiks number üks. <http://www.err.ee/554672/eesti-kodanikud-peavad-pagulasteemat-probleemiks-number-uks> (12.12.2017).
- Err.ee** (2017): Estonian, Finnish presidents: Multi-speed EU thinkable. <http://news.err.ee/260783/estonian-finnish-presidents-multi-speed-eu-thinkable> (12.12.2017).
- Estonian Presidency of the Council of the European Union** (2017): The Presidency Programme for the Employment, Social Policy, Health and Consumer Affairs Council (EPSCO). [https://www.eu2017.ee/sites/default/files/2017-07/EU2017EE%20EPSCO%20Programme\\_0.pdf](https://www.eu2017.ee/sites/default/files/2017-07/EU2017EE%20EPSCO%20Programme_0.pdf) (12.12.2017).
- Estonian Presidency of the Council of the European Union** (2017): The Estonian Presidency Programme for the Foreign Affairs Council (FAC). <https://www.eu2017.ee/sites/default/files/2017-07/EU2017EE%20FAC%20Programme.pdf> (12.12.2017).
- Estonian Presidency of the Council of the European Union** (2017): The Estonian Presidency Programme for the Economic and Financial Affairs Council (Ecofin). [https://www.eu2017.ee/sites/default/files/2017-07/EU2017EE%20ECOFIN%20Programme\\_0.pdf](https://www.eu2017.ee/sites/default/files/2017-07/EU2017EE%20ECOFIN%20Programme_0.pdf) (12.12.2017).
- EU2017.EE** (2017): Priorities of the Estonian Presidency. <https://www.eu2017.ee/priorities-estonian-presidency> (12.12.2017).
- EU2017.EE** (2017): Programme of the Estonian Presidency of the Council of the European Union, 1 July 2017 – 31 December 2017. [https://www.eu2017.ee/sites/default/files/2017-06/EU2017EE%20Programme\\_0.pdf](https://www.eu2017.ee/sites/default/files/2017-06/EU2017EE%20Programme_0.pdf) (12.12.2017).
- Euractiv** (2017): Estonia pushes fair taxation plan for web giants in Europe. <https://www.euractiv.com/section/economy-jobs/news/estonia-pushes-fair-taxation-plan-for-web-giants-in-europe/> (12.12.2017).
- Government Coalition** (2016): Basic principles of the Government Coalition. [https://www.valitsus.ee/sites/default/files/content-editors/failid/basic\\_principles\\_of\\_the\\_government\\_coalition\\_between\\_the\\_estonian\\_centre\\_party\\_the\\_estonian\\_social\\_democratic\\_party\\_and\\_pro\\_patria\\_and\\_res\\_publica\\_union\\_irl\\_for\\_2016-2019.pdf](https://www.valitsus.ee/sites/default/files/content-editors/failid/basic_principles_of_the_government_coalition_between_the_estonian_centre_party_the_estonian_social_democratic_party_and_pro_patria_and_res_publica_union_irl_for_2016-2019.pdf) (12.12.2017).
- Kangro, Karin** (2015): Mikser nimetas ELI ühisarmee ideed huvitavaks. <http://www.postimees.ee/3116883/mikser-nimetas-eli-uhisarmee-ideed-huivitavaks> (12.12.2017).
- Liiva, Siiri** (2017): Graafik: kui suur on miinimumpalk ELI riikides ja mitmendal kohal on Eesti? In: Postimees Majandus. <http://majandus24.postimees.ee/4167317/graafik-kui-suur-on-miinimumpalk-eli-riikides-ja-mitmendal-kohal-on-eesti> (12.12.2017).
- Ministry of Defence** (2016): Defence Ministers of the European Union to discuss the creation of a military headquarter. <http://www.kmin.ee/et/uudised/euroopa-liidu-kaitseministrid-arutavad-sojalise-peakorteri-loomist> (12.12.2017).
- Ministry of Defence** (2017): Luik: European Union and NATO complement one another. <http://www.kmin.ee/et/uudised/luik-euroopa-liit-ja-nato-taiendavad-teineteist> (12.12.2017).
- Ministry of Social Affairs** (2017): Valitsus kiitis heaks uue täiendava ravimihüvitise süsteemi loomise. <https://www.sm.ee/et/uudised/valitsus-kiitis-heaks-uuetaiendava-ravimihuvitise-susteemi-loomise> (12.12.2017).
- Ministry of Social Affairs** (2017): Jevgeni Ossinovski Euroopa Parlamendis: Euroopal tuleb kiiresti kohaneda majanduse ja tööturu muutustega. 13.07.17. <https://www.sm.ee/et/uudised/jevgeni-ossinovski-euroopa-parlamendis-euroopal-tuleb-kiiresti-kohaneda-majanduse-ja-tooturu> (12.12.2017).
- Ministry of Social Affairs** (2017): Kaia Iva Euroopa Parlamendis: Euroopas peab iga inimene olema oluline. 13.07.17. <https://www.sm.ee/et/uudised/kaia-iva-euroopa-parlamendis-euroopas-peab-iga-inimene-olema-oluline> (12.12.2017).
- Ministry of Social Affairs** (2017): Riik suunab tervishoidu järgmise viie aasta jooksul üle 300 miljoni euro lisaraha. 21.09.17. <https://www.sm.ee/et/uudised/riik-suunab-tervishoidu-jargmise-viie-aasta-jooksul-ule-300-miljoni-euro-lisaraha> (12.12.2017).
- Parliament of Estonia** (2017): XIII Riigikogu stenogramm V istungjärk Teispäev. 16. mai 2017. <http://stenogrammid.riigikogu.ee/201705161000> (12.12.2017).
- Parliament of Estonia** (2017): XIII Riigikogu stenogramm V istungjärk Kolmapäev. 07. juuni 2017 <http://stenogrammid.riigikogu.ee/201706071300#PKP-21109> (12.12.2017).
- Party position outlined by chairman Jevgeni Ossinovski** (2017): <http://www.err.ee/612654/video-erakondade-esimehed-pensionipolvest-ja-automatiseerimisest> (Video 55:50-58:06) (12.12.2017).
- Pealinn** (2015): Janno Pevkur: Eesti tervitab Euroopa Liidu ülese piirivalve algatust. <http://www.pealinn.ee/koik-uudised/janno-pevkur-eesti-tervitab-euroopa-liidu-ulese-piirivalve-algatust-n159057> (12.12.2017).
- Pealinn** (2016): Euroopa Liidu kaitseministrid arutavad sõjalise peakorteri loomist. <http://www.pealinn.ee/tagid/koik/euroopa-liidu-kaitseministrid-arutavad-sojalise-peakorteri-loomist-n176814> (12.12.2017).
- Ratas, Jüri** (2017): Speech by Prime Minister Jüri Ratas at the Riigikogu on the Estonian Presidency of the Council of the EU. 16.5.2017. <https://www.eesisumine.ee/en/news/speech-prime-minister-juri-ratas-riigikogu-estonian-presidency-council-eu> (12.12.2017).
- Sihmää, Teele** (2017): Kai Härmand: »Õigusloome on üha enam avalikkuse, huvirühmade ja avaliku sektori ühislooming«. <https://www.just.ee/et/uudised/kai-harmand-oigusloome-uha-enam-avalikkuse-huviruhmade-ja-avaliku-sektori-uhislooming> (12.12.2017).
- Uudised** (2017): Mikser: Macroni võit Prantsusmaal on Eestile soodne areng. <http://uudised.tv3.ee/eesti/uudis/2017/05/08/mikser-macroni-voit-prantsusmaal-on-eestile-soodne-areng> (12.12.2017).
- Vincenti, Daniela** (2017): Estonian president: In the face of Brexit, unity will be at the heart of our EU presidency. 13.7.2017. <https://www.euractiv.com/section/digital/interview/estonian-president-in-the-face-of-brexit-unity-will-be-at-the-heart-of-our-eu-presidency/> (12.12.2017).

## **Imprint**

© 2018

### **Friedrich-Ebert-Stiftung**

Publisher: International Policy Analysis,  
Hiroshimastraße 28, D-10785 Berlin, Germany  
[www.fes.de/ipa](http://www.fes.de/ipa)  
Orders/Contact: [info.ipa@fes.de](mailto:info.ipa@fes.de)

Study conducted by:  
Institut für Europäische Politik  
Bundesallee 23, 10717 Berlin, Germany  
[www.iep-berlin.de/en](http://www.iep-berlin.de/en)

The statements and conclusions are the sole responsibility of the authors and do not represent an official opinion of the Friedrich-Ebert-Stiftung.

Commercial use of all media published by the Friedrich-Ebert-Stiftung (FES) is not permitted without the written consent of the FES.

**ISBN: 978-3-96250-122-8**

Front cover image: [AboutLife/shutterstock.com](https://www.shutterstock.com)  
Design concept: [www.stetzer.net](http://www.stetzer.net)  
Realisation/Typesetting: pertext, Berlin  
Print: [www.druckerei-brandt.de](http://www.druckerei-brandt.de)

August 2018

