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Contents

Acknowledgments.....	2
Introduction.....	3
Opening Remarks.....	4
Thursday, 15 June 2017.....	4
Keynote Address.....	5
Panel I – Digital Single Market and Competitiveness	7
Panel II – EU's Eastern Neighbourhood.....	9
Friday, 16 June 2017.....	11
Panel III – Security and Defence Cooperation.....	11
Panel IV – Managing Brexit.....	13
Concluding Remarks	15

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The opinions reported in this report are those of the speakers and do not necessarily reflect the positions of TEPSA or TEPSA Member Institutes. Please note that this is a summary not a verbatim report.

Introduction

On the occasion of the first Estonian EU Council Presidency starting on July 1st 2017, [TEPSA](#) held its traditional [Pre-Presidency Conference](#) (PPC) in Tallinn on Thursday 15 and Friday 16 June 2017. The Conference was co-organised in cooperation with and hosted by the [Estonian Foreign Policy Institute](#) (EVI), and is part of the long-standing tradition of TEPSA's Pre-Presidency Conferences (PPCs), which take place twice a year in the capital of the country holding the EU Council Presidency prior to the beginning of its mandate.

The main aim of TEPSA's PPCs is to bring together academics and researchers from the TEPSA network, policy-makers, the media, civil society organisations, and the general public in order to discuss the agenda and challenges of the upcoming Council Presidencies. TEPSA's PPCs represent a major platform for communication and exchange between policy-makers and academia. Prior to the event TEPSA researchers formulate recommendations to be presented to a high-rank official of the government concerned in a plenary session. Moreover, the conferences actively involve civil society and media actors, who are able to interact with practitioners and academia. Finally, the insights gained during these conferences and seminars directly feed into future research on the EU and into EU policy making. Thanks to their genuinely European and transnational nature and to the involvement of civil society, TEPSA's Pre-Presidency conferences actively contribute to shaping a European public sphere.

3

The June 2017 PPC was also an integral part of the TEPSA's [PONT project](#), aimed at providing a bridge connecting young academics and EU practitioners, in order to improve the employability of young researchers.

The detailed programme of the Tallinn PPC can be found [here](#).

Opening Remarks

Thursday, 15 June 2017

Prof Jaap de Zwaan, TEPSA Secretary-General, welcomed the participants and thanked the Estonian Foreign Policy Institute, in particular Andres Kasekamp, Viljar Veebel and Kirsika Ritsoson, for the organisation of the conference. He expressed his pleasure in being in Estonia, a beautiful country with a turbulent history which became part of the European Union in 2004. He then shortly introduced TEPSA, a network of leading research institutes in all EU member states and beyond, and its flagship event, the Pre-Presidency Conference which provides a platform for high quality policy and research debate. He further stressed how the agenda designed by EVI for the Tallinn PPC reflects the most pressing topics for the future of Europe discussion, namely neighbourhood policy, security cooperation, digitalization and Brexit. Prof de Zwaan concluded by affirming that the outcomes of recent elections in several Member States demonstrate that there is a beneficial political climate to discuss and take decisions concerning the integration process.

Andres Kasekamp, Senior Fellow at the Estonian Foreign Policy Institute, thanked Prof de Zwaan for his welcoming words and for introducing TEPSA. Before giving the floor to the TEPSA recommendations team, he further thanked the Konrad Adenauer Stiftung and the Federal Trust for having contributed to the PPC and the Estonian Academy of Sciences for having provided the wonderful conference room. Following a long tradition, TEPSA then presented its recommendations to the incoming Estonian presidency, in the presence of the Minister of Foreign Affairs Sven Mikser.

Sabina Lange, TEPSA Board Member and Lecturer at the European Institute of Public Administration, thanked Sven Mikser for his presence and underlined how the current moment represents an ideal time for presenting the recommendations as the incoming Presidency's priorities are already on the table. She further stressed how the EU is living a moment of relief as the recent national elections have avoided reversing the path of EU integration, but that the EU must keep on working intensively to counter fears and arising challenges in the digital world and economic models. The TEPSA recommendations focus on (1) migration, (2) social policy, (3) digital Europe and (4) the future of Europe. The full text of the TEPSA recommendations to the Estonian presidency is attached to this report.

Keynote Address



Sven Mikser, Minister of Foreign Affairs, Estonia Expressed appreciation for the constructive recommendations for Estonia's EU Presidency, and noted that many points were in line with Estonia's priorities but that there were also original angles worth exploring. On outlining the range of priorities for Estonia, the Minister highlighted foreign policy and security with a focus on terrorism, organised crime, and protection of external borders as the key issues. Minister Mikser noted that the migration crisis shows the need for the EU to not divide internal and external security, but to approach it as it is one in the same. In this regard, addressing the root causes of

irregular migration will be an important component of Estonia's presidency. Furthermore, several important events will take place during the Estonian Presidency including a summit on the Eastern Partnership, an EU-Africa summit, and a summit with Latin America and Caribbean partners.

Minister Mikser elaborated on Estonia's views and priorities relating to security and defence. While Estonia is very pro-Europe, it has also been very much Atlanticist in its defence orientation. Estonia envisions further strengthening of EU-NATO cooperation, in conjunction with EU security and defence cooperation considering recent developments on both fronts. One key aspect of this is the newly created European Defence Fund, which will need to put into use and eventually expanded. Overall, the Minister emphasised that Estonia will continue to work on strengthening European cooperation on these issues as laid out in the EU Global Strategy.

Beyond foreign and security policy, the Minister described Estonian views to further digital solutions, both relating to the digital marketplace, but also using Estonia's strengths in the digital sphere to work towards improving the transparency and efficiency of governance at the EU level. Furthermore, Estonia will seek to emphasise digital technology to benefit efforts to counter terrorism and organised crime by improving the capacity to share information and data across the EU.



Minister Mikser noted that the problematic issues in EU-Russian relations are caused by Russian actions, and its readiness to go against international norms, sometimes to an extreme with the use of force. From Estonia's view, there can be no normalization until Russia stops this type of behaviour, and the EU should continue to act in solidarity on this issue.

Regarding the new US administration, and its somewhat unpredictable foreign policy, it is certainly a challenge. However, Minister Mikser noted that despite the troubling NATO meeting in May 2017, various members of the US administration have signalled that the US remains committed to European security, and Europe should not go too far in thinking that the US is going to completely step back from the European security architecture. On other issues, namely trade, climate, and development, there is less certainty.

On Brexit, the Minister recognised that it is something that will be a factor in much of the work during Estonia's Presidency, and that a particular concern for Estonia relates to security. The United Kingdom is an important security provider in Europe, being the UK the framework nation for the NATO forward positioning battlegroup stationed in Estonia.

After engaging in an enlightening question and answer session, Minister Mikser concluded by stating that many of the key issues being discussed are long term, and will likely last beyond Estonia's term as President of the Council. Despite this reality, Estonia will work to drive forward progress on these issues.

Panel I – Digital Single Market and Competitiveness

Panel I

Chaired by: Juha Jokela (FIIA, Finland)

- Taavi Rõivas (MP, former Prime Minister of Estonia)
- Keit Kasemets (Head of the EC Representation in Tallinn)
- Ramūnas Vilpišauskas (IIRPS, Vilnius University)

Taavi Rõivas started his presentation by drawing attention to the EU's role as a generator of prosperity. He then noted that the Single Market, as a project, still needs certain improvements. While digital trade is one of easiest tasks for the European Single Market in theory, the reality is different as there is still a mental constraint to be tackled on this issue. He stressed that the digital EU is possible as long as Member States show a willingness to achieve it. Once it is achieved, according to Mr. Rõivas, digitalization will make everyday life significantly easier for European citizens as it will prevent inconveniences such as excessive paperwork or discrimination based on location.

Keit Kasemets' speech focused on the contemporary debates regarding the Digital Single Market, which, according to him, is a more advanced market that is also harder to achieve. He touched upon questions regarding free movement of data, digital platforms, infrastructure capacity of EU member states, advanced manufacturing, and artificial intelligence. He emphasized that the EU should take full advantage of these technologies and encourage innovative business models. He concluded his speech by presenting Estonia, Denmark, and Sweden as the examples of the most developed countries in the matter of digitalization and underlining the willingness of current German and French presidencies to achieve greater digital integration.

Ramūnas Vilpišauskas highlighted the Estonian perspective on digitalization. He noted that the Estonian presidency is going to position itself as a leader on the issue of the Digital Single Market. He stressed that the debate on this issue is twofold. On the one hand, traditional matters such as intensified competition and fair distribution of opportunities among the conventional and new layers of the market are being discussed. On the other hand, digital platforms as a part of the political process create new issues to be taken into consideration, namely accessibility, protection from fake news and disinformation, computational propaganda and so on. Mr. Vilpišauskas stated that while some concerns are justified, many of them represent manipulations by interest groups. He further stated that the biggest challenge is to eliminate the differences between national regulations. Finally, while the Single

Market was achieved on paper in 1998, Mr. Vilpišauskas reminded the audience that it is practically a never-ending process as the markets and the trade relations are evolving and transforming. While achieving a Single Digital Market is essential for Europe, this issue should not carry the agenda on its own. Since there are other businesses that are not yet included in the single market, digitalization should be considered as a part of a more comprehensive phase of integration.



Panel II – EU's Eastern Neighbourhood

Panel II

Chaired by: Emmet Tuohy, *Chair*
(Eastern Partnership Centre, Tallinn)

- Marko Mihkelson (Foreign Affairs Committee, Estonian Parliament)
- Diana Potjomkina (Latvian Institute of International Affairs)
- Frank Schimmelfennig (ETH Zürich)
- Roderick Pace (University of Malta)
- Maryia Hushcha (PONT researcher, Comenius University)

Marko Mihkelson focused on the Eastern Partnership and the challenges for the upcoming Estonian presidency. Mr. Mihkelson underlined the importance of learning from the previous mistakes and reflecting these lessons in the policy-making approaches in the next six months. He stated that balancing between equally important subjects will be the main challenge for the upcoming presidency.

Diana Potjomkina argued that the EU has started focusing on the Eastern neighbourhood in a more pragmatic, geopolitical and differentiated way after the outbreak of the crisis in Ukraine. Instead of

"more for more, less for less" approach, all partners now receive cooperation offers even if they have not advanced significantly with reforms. According to Ms. Potjomkina, in order to be more influential in the area, the EU needs to be less self-centred, less bureaucratic, and less hypocritical. It should be more realistic, more flexible, and should also consider well the ways of balancing interests with Russia in the neighbourhood. Finally, Ms. Potjomkina emphasized that the partners appreciate the EU's policies more when their concerns and fears are taken into consideration.

Maryia Hushcha discussed the role of civil society in the EU. She argued that civil society is still not included in the decision-making mechanisms as much as it should be. Ms. Hushcha then presented several examples in which grassroots activism and civil society have played an active role. For the period of Estonian Presidency, Ms. Hushcha suggested to increase, support, and digitalize both public and private civil society mechanisms.

Roderick Pace drew attention to the heterogeneous nature of the Mediterranean region as one of the challenges for the EU Neighbourhood Policy. He asserted that the ENP has adopted both soft and hard approaches and has been applied through bilateral agreements since 1995 within the framework of the Barcelona Process. While it has mostly focused on conflict resolution, consolidation, and tackling authoritarian tendencies in the region, the ENP has not been effective as there is no promise of membership. Mr. Pace argued that the EU has been alarmed by recent developments in Saudi Arabia,

Iran, and Syria, and now pays renewed close attention to its partners in the region. For the Estonian Presidency, he counselled the EU to continue with the soft power approach, promote democratic regimes, think beyond the Mediterranean and build partnerships in Africa. Deriving from the cases of Libya and Ukraine, Mr. Pace further suggested the EU to increase its hard security and defense capacity, and diminish its military dependency as soon as possible.

Frank Schimmelfennig made the last intervention from the panel, approaching the topic from a theoretical perspective. Mr. Schimmelfennig stressed the ENP has had inconsistencies since the beginning. First, because of the way the policies were designed, and second because of the way the world has changed since then. According to Mr. Schimmelfennig, the EU has been naïve in thinking that it could change the region through external governance. The Union tried to apply enlargement policies without actual enlargement: it demanded more than it was giving, and focusing on “stability” rather than on shared values and norms. Mr. Schimmelfennig then pointed to the current situation of the countries in the region, which are struggling from a weak state capacity, a limited prosperity, and dysfunctional civil societies. He stated that the EU’s technocratic approach has not been successful since it did not have a systematic, sustainable impact in the region; did not guarantee the partners’ safety in case of a geopolitical tension; and did not sufficiently support the domestic markets or the democratic structures. Mr. Schimmelfennig noted that when expectations and capacities do not meet, one of them must be changed. He suggested that the ENP should adopt more of a foreign policy-approach, meaning that it should be designed specifically for each independent case. While this would not make the ENP necessarily better, according to Mr. Schimmelfennig, it would at least make it more “honest” and consequently more appreciated by the partners.



Friday, 16 June 2017

Panel III – Security and Defence Cooperation

Panel III

Chaired by: Pernille Rieker (Norwegian Institute of International Affairs)

- Urmas Paet (MEP, former Foreign Minister of Estonia)
- Ettore Greco (IAI, Italy)
- Hannes Hanso (Chairman, Defence Committee, Estonian Parliament, former Defence Minister of Estonia)

Urmas Paet argued that the EU security has become more prominent because of the increased number of sources of instability, such as war in Syria, Russia's aggression in Ukraine, and a destabilized Middle East. While NATO will continue to be important, the EU must increase its defence cooperation through the European Defence Union. The Commission has recently made steps to foster defence cooperation. However, more must be done. While creation of a European

Army is still unrealistic, the EU should increase its budget for defence in the new Multiannual Financial Framework (MFF). Defence cooperation needs to be of preventive nature. So far, as the recent refugee crisis demonstrates, it has been only reactive. The EU Member States should also reach their 2% commitment to NATO, and this can be partially done through the MFF. In terms of the European Defence Union, a number of things can be done. For example, a European Commissioner for Defence should be established, European defence markets need to become more accessible to other Member States, and European multinational forces should be created. The Defence Union should deal with various issues, including combating hybrid threats, migration, strengthening technologic and defence capabilities of the EU, especially on its Eastern and Southern borders.

Ettore Greco mentioned that earlier in June the European Commission had published a reflection paper On the Future of European Defence where it suggested three different scenarios of future defence cooperation in the EU. Defence cooperation needs to be strengthened in order to achieve the EU's strategic autonomy but also in light of Brexit and the volatile attitude of President Trump towards NATO. Regarding the Defence Union, the projects that have already been implemented, such as the European Defence Fund, were done on a rather small scale. Nevertheless, they raise high expectations for future developments.

Hannes Hanso noted that the European defence debate intensified after the Brexit vote and the election of Donald Trump. These events increased the urgency for the EU to take a more long-term approach in defence matters. From the Estonian perspective, NATO is

11

central for security in Europe. The Warsaw Summit should be viewed as a success, due to the decision to station NATO troops on the Eastern flank. The decision was fully implemented just eight months after the Summit – unprecedentedly quickly for NATO standards. If we compare NATO activities with European defence initiative it becomes clear that there is still a long way to go for Europe. The current talk in the EU about ‘getting more for less’ is reminiscent of a narrative in NATO some time ago about ‘smart defence’ that was used to cover up insufficient member states’ spending, a mistake that should not be repeated by the EU. For perspective, the total budget of the European Defence Fund is equal to Estonia’s defence expenditures (around 500 mil. EUR), which is much too small for an entity that is dealing with the defence of the whole Union. However, there are also positive trends. For example, Sweden and Finland – two non-NATO members – have shown their interest in the initiative. At the same time, the EU should not create parallel structures to NATO, but it should reinvigorate the existing ones instead.



Panel IV – Managing Brexit

Panel IV

Chaired by: Funda Tekin (CIFE, IEP)

- Brendan Donnelly (Federal Trust, UK)
- Federico Steinberg (Real Instituto Elcano, Spain)
- Ebru Ece Özbey (METU, Turkey)
- Graham Avery (Oxford & TEPSA)

Brendan Donnelly began his intervention by pointing out that the snap elections in June had weakened the position of Prime Minister Theresa May. In these elections, many voted for Labour and Liberal Democrats in order to prevent a conservative majority. But many also voted these parties because they offered a better deal. In the lead up to Brexit negotiations, the use of the terms “soft

Brexit” and “hard Brexit” have changed. Now, the distinction is made between whether the UK is negotiating something with the EU or not. PM May’s official view is to leave the Customs Union and the common market and negotiate the terms afterwards. However, this is unrealistic and the UK citizens will have to pay a high price. Mr. Donnelly noted that there are three issues that need to be settled. First, the financial settlement with the EU that most likely will result in high charges for the UK. Second, the rights of EU citizens in the UK, and UK citizens in the EU (and furthermore, if this would need to be resolved by the European Court of Justice – a decision which would be difficult for the UK to accept). Third, if the UK will stay in the Customs Union. Conservatives, at least in theory, accept the idea of the UK leaving the Customs Union. In general, the internal mismanagement of the Tory party was one of the reasons why Brexit happened in the first place. Therefore, one needs to watch the internal British politics to understand how Brexit will turn out. Mr Donnelly outlined three possible outcomes of Brexit: 1) catastrophic Brexit; 2) withdrawal from Brexit, as Britain will realize it is too complicated (that is however less likely); 3) the UK leaves the EU but remains a part of the Customs Union and retains the access to the common market.

Federico Steinberg presented a view of Brexit from the perspective of game theory. He argued that while the losses for the UK will be even more than many still realize, the distribution of losses within the EU will not be same among all the Member States. Countries that have strong economic ties with Britain, such as Germany, Ireland, Cyprus, will lose the most.

Ebru Ece Özbey argued that the following three lessons can be drawn from Brexit. First, Brexit was not just a productive populism whose ability to shape public opinion is sometimes overestimated. In case of Brexit, it was to a large extent the public’s decision not to be informed. Secondly, Brexit is partially the result of globalization. Globalization and automation have made some people feel ‘left behind’, but unlike in other countries, the EU Member States’ governments could

blame Brussels for all their faults. Lastly, in order to prevent a further rise of populism in European politics, a new social contract has to be offered to the European people, with the EU being equally involved in the process along with the national governments.

Graham Avery argued that while British politicians might blame the EU for its hard approach to the Brexit negotiations, it is quite understandable that the EU seeks to promote the interests of its Member States. Thus, for example, on the issue of the Irish-British border the EU has backed Ireland and not the UK. The recent elections weakened the conservative party, and made the outcome of Brexit more difficult to predict. However, it is clear for the UK that Brexit will be more painful than for the EU, since the UK has a trade deficit with Europe by exporting about 50% of its good to EU countries. There are several possible scenarios of what might happen after the two-year deadline for an agreement on the UK's withdrawal from the EU. In case the deadline is postponed, the UK will keep paying their budgetary contributions. However, that might be an inconvenient timing since the European Parliament elections are scheduled for 2019. Another possibility is that the EU and the UK will reach an interim agreement which would also allow the UK to stay in the Customs Union. In any case, any agreement will require flexible and mature approach from both sides.



Concluding Remarks



TEPSA Chairman Professor Michael Kaeding, University of Duisburg-Essen, expressed his thanks to the Estonian Foreign Policy Institute, the distinguished panel speakers, and the conference attendees for their participation. Professor Kaeding concluded the Tallinn Pre-Presidency Conference with a forward-looking speech on the state of politics in Europe, and the role that research, and TEPSA in particular, could play in the “future of Europe” debate. While emphasizing the positive results of recent elections in the Netherlands and France, he mentioned that the populist and far right parties still saw an increase in votes and that several important elections are coming up in Germany, the Czech Republic, and Slovenia. Professor Kaeding therefore concluded by encouraging the TEPSA network to play an active role in shaping the future of Europe debate.