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EUOBSERVER / BRUSSELS – Estonia's accession to the eurzone, due to take place at the start of 2011, is in its own interest despite the current sovereign debt crisis gripping the monetary union, Estonian President Toomas Ilves has told EUobserver in an interview.

"I don't know if there is a good time or a bad time to join the euro, but it's quite clear that it is in our interest to join the eurozone. It will boost business confidence, investor confidence and also the well-being and confidence of our people," Mr Ilves said on Thursday (8 December) during his two-day visit in Brussels.

A former journalist working for Radio Free Europe from 1983-1994, Mr Ilves dismissed as "yellow" or tabloid-ish journalism the suggestion that the euro is falling apart or that Estonians are "silly" for wanting to join. "When I speak to economists, I haven't heard anyone serious say that it will have a negative effect," he said.

As for the fallout of the crisis on the European architecture – more inter-governmentalism or more EU? - the Estonian politician said his country is in favour of more integration and felt confident that in the case of a new two-speed Europe, Estonia will be in the right group.

"If it happens, we'll be in the fast group. We're not for it and in terms of willingness to participate in the integration of Europe, we opt in, not out," he said. "If you look at Europe today and then you look at countries in all fundamental organisations – EU, Nato and the eurozone – there's only one country that basically fulfills the obligations for all: Estonia. Being on defence expenditure, budget deficit or national debt."

While defending the German stance of rule-bound fiscal responsibility, Mr Ilves also noted that "some of the big countries several years ago decided to change the rules of the Stability and

Growth Pact because they were inconvenient" - a reference to efforts by France and Germany to relax the 3 percent deficit rule which governs the eurozone.

"If you know your Thucydides and the Melian dialogue you know that small countries rely most on everyone following the rules. That's why we follow the rules. If there are no rules, then the big will do what they want," Mr Ilves said, referring to a text by ancient Greek historian Thucydides which remains a must-read for students of international relations.

He noted that northern European countries "generally tend to favour fiscal responsibility over spending money we don't have."

"If we look at the votes about five years ago on the services directive, those in favour were the northern countries, who have a long standing trading tradition and wanted to expand the internal market to include more services. So it's not necessarily a question of big or small, old or new – but rather that we see things in a similar way."

"If you look at fiscal policy in those countries, there tends to be a common trait. There is something northern about it: probably it's the fact that we have cold winters and so we generally tend to save, so we don't run out of food in the winter. That's our peasant background," he joked.

With trade imbalances and low consumption in Germany considered to be an important factor in the current eurozone crisis, Mr Ilves said he has come to Brussels to flag up the need to bolster e-commerce across the bloc. "We're worried about low consumption, so why don't we do something about it. What are you going to do, make it easier for Germans to spend or say: why aren't Germans spending? I think the first approach is better than the second one. You can't force them to consume," he said.

EU treaty

The EU-savvy politician, who is also a former foreign minister and MEP, said the Lisbon Treaty and its forerunner – the EU Constitution – did not provide the necessary tools to deal with the

current crisis.

"When you create something as complex as the treaty, you find out there are things that don't work. The Constitutional Treaty was not written with such a major recession in mind. We didn't even think it was possible. No one saw it coming. If they did, they would be very rich now," he said.

Sympathising with the euro-federalists, Mr Ilves 10 years ago argued that the only way to solve the EU's democratic deficit was to have a bi-cameral legislature, with states represented in the "senate" and MEPs in the lower chamber. "But that's in the past," he said. "It's not happening and it won't happen."

As for the current leadership of EU's new institutions, created by the Lisbon Treaty – Herman Van Rompuy and Catherine Ashton - Mr Ilves said the expectations were never high: "To be honest, I don't think that there were many expectations. The Lisbon Treaty is something not many people understood. And in fact, the expectations will be there in the future, once we understand what the institutions actually do. I don't think anyone really understands what the President's [Mr Van Rompuy] role is until we've had several presidents who've defined it."

"It took people almost 20 years to get used to the parliamentary system and the fact that the president does not have executive authority," he said of Estonia's post-Soviet reforms.

WikiLeaks

Mr Ilves said he finds some of the US diplomatic cables released by WikiLeaks "quite amusing."

"What is interesting when I read the WikiLeaks is that a lot of countries that have a public profile when their officials speak have a very different line. I won't go into it, but it's very interesting to read what people say in public and what they say in private," he said.

As for the publication of classified Nato information about a new Contingency Plan on repelling a Russian invasion from the Baltic States and Poland, Mr Ilves said the revelation has not had any negative consequences. In [one of the old cables published by WikiLeaks](#) one of the old cables published by WikiLeaks, US diplomats speak of the "almost-paranoid perception of an imminent Russian attack."

"In 2008 there was the Georgian war, so I think a lot of countries were thinking about that [an imminent Russian attack]," the Estonian head of state said. "I've always believed in Article 5," he added, on Nato's founding treaty, which says all countries will defend any one member in a conflict.

Cyber attacks

Labelled the first country to ever experience a mass-scale cyber attack in 2007, Estonia likes to portray itself as a leader in cyber defence.

"Cybersecurity is a fundamental issue that the EU has to deal with. It should be clear even for countries who don't even know how to use a computer that the EU could stop functioning if we don't pay much more attention to cyber security. Nato, Estonia, the US are all paying attention to cyber security. But in Europe it's not even understood as a serious issue in many places," Mr Ilves warned.

He suggested the EU should criminalise cross-border attacks and enable more police co-operation in the field: "If you have an attack generated in your own country, each country has the instruments to deal with that. But if the attack comes from outside your country - and basically you'd have to be a real idiot to do a cyberattack against your own country - it's almost an a priori cross-border phenomenon - the first step is to use the EU institutions to create a common legal and police area."

EU interior ministers last week agreed to let Tallinn host an EU agency for the management of police databases, after one year of negotiations with France, the other bidder.

"We have probably the most extensive data bases, but what we've done is, they're not in one place. The only person who can have access to all your data is yourself. No one else has. The police can see your traffic record. Your doctor can see your medical record. Tax people see the tax bits. They are all separate, but they are all united by you and your smartchip," he explained on existing Estonian cyber security measures.

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