



Nations in Transit 2005

ESTONIA*

NIT Ratings	1997	1998	1999	2001	2002	2003	2004	2005
Electoral Process	2.00	1.75	1.75	1.75	1.75	1.75	1.50	1.50
Civil Society	2.25	2.25	2.50	2.25	2.00	2.00	2.00	2.00
Independent Media	1.75	1.75	1.75	1.75	1.75	1.75	1.50	1.50
Governance	2.25	2.25	2.25	2.25	2.25	2.25	2.25	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2.25
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	n/a	n/a	2.50
Judicial Framework and Independence <i>(formerly Constitutional, Legislative, & Judicial Framework)</i>	2.25	2.25	2.00	2.00	1.75	1.75	1.75	1.50
Corruption	n/a	n/a	3.25	2.75	2.50	2.50	2.50	2.50

EXECUTIVE SUMMARY

Estonia is a functioning democracy that has reached the stage of democratic consolidation. The country has successfully held elections deemed to be free and fair by international observers, has transferred power peacefully between sets of ruling elites as a result of these elections, and has deepened its connections with other democratic countries of Western and Central Europe. Remaining challenges include the need for continued progress on the integration of ethnic minorities, as well as public participation rates—particularly voter turnout—and levels of trust in governing institutions, which are low by European standards.

In 2004, Estonia completed its “return to Europe,” joining NATO in March and the European Union (EU) in May. Survey data indicated that the population of Estonia considered these to be the two most important events of 2004. These memberships enhanced Estonian security, both from the specific guarantees of collective security as a NATO member and from the country's full participation in the ongoing process of European integration. Pursuit and acquisition of EU and NATO membership also continued to drive changes in a number of domestic policies, a process that had been under way for several years. Other important events included controversy surrounding the dismantling of a newly constructed World War II monument and the resignation of three government officials due to missing grain reserves, a missing briefcase containing secret documents, and a dispute over ferry service to islands off the coast.

* Lowell W. Barrington is an associate professor of political science at Marquette University. He has published numerous articles on Baltic citizenship policies and post-Communist mass attitudes and is the editor of the book *Nationalism After Independence*.

NOTE: Nations in Transit ratings are based on a scale of 1 to 7, with 1 representing the highest level and 7 representing the lowest level of democratic development. The 2005 ratings reflect the period January 1 through December 31, 2004. The ratings reflect the consensus of Freedom House, its academic advisors, and the author of this report. The opinions expressed in this report are those of the author.

Parliamentary elections in 2003 brought to power a ruling coalition comprising three parties bridging the middle of the political spectrum. The government faced a crisis late in 2003 over proposed cuts in the personal income tax rate but managed to survive—partly by pushing the more difficult stages of the tax cuts beyond 2004. And despite three high-profile ministerial resignations during 2004, the government was able to last out the year. However, European Parliament election results and opinion polls showed weakening public support for the parties of the coalition and pointed to potential problems for the government.

In 2004, the most glaring weaknesses in Estonian democratic development remained the sizable portion of the population without citizenship and the relatively low levels of trust in government institutions. The country maintains such a large number of noncitizens primarily because it bases citizenship on the principle of statehood “restoration” rather than providing automatic citizenship to all permanent residents, as did most other former Soviet states after 1991. This issue continued to be controversial in 2004 with the defeat of amendments to the Law on Citizenship that would have waived the language requirement for the naturalization of elderly residents. However, there was clear evidence of progress on citizenship and the integration of minorities into Estonian society. The waiting time for most applicants for naturalization was cut in half, and officials were considering revising upward the annual target numbers for naturalization. Low levels of trust are a less visible but equally problematic obstacle. Surveys in 2004 indicated that Estonians viewed political parties and governing institutions as the most corrupt national institutions. The lack of trust in governing institutions extends also to European institutions. According to 2004 Eurobarometer data, Estonians are well below the EU average in their trust of European institutions.

National Democratic Governance. Estonia is a strongly democratic country with accountable legislative and executive branches and civilian control of the military. In 2004, well-established government provisions allowed citizens to use their technological savvy to play a greater role in the policy process, and preparations for electronic voting in the near future continued. Negatives in 2004 included the visible instability in the ruling coalition—including three high-profile ministerial resignations—and low levels of public support for the major political parties and governing institutions. *Estonia’s new rating for national democratic governance is set at 2.25 owing to the stability of the governance framework currently in place.*

Electoral Process. The year 2004 was quiet compared with the previous year. While parliamentary elections were held in March 2003 and the EU referendum in September 2003, only the elections to the European Parliament occurred in 2004 (in June). The very low turnout for this election—less than 27 percent, third lowest of the 25 EU members—does not necessarily represent dissatisfaction with Estonia’s EU membership. It is, however, cause for some concern. The Estonian government continued discussions on altering the system for selecting the president (currently chosen by the Parliament), but for the second straight year it failed to reach consensus about the parameters for instituting a direct popular vote. The government’s commitment to increasing Estonian citizenship among the Russian-speaking portion of the population did not translate into a significant change in the makeup of the electorate. The highly complex electoral system for parliamentary elections, another negative, remained in place as well. These issues notwithstanding, there was little on which to base a change in the country’s electoral process score. *Estonia’s electoral process rating remains unchanged at 1.50.*

Civil Society. In 2004, the adoption of the implementation law of the Estonian Civil Society Development Concept was an important step. However, it is too early to see if this committed

investment by the Estonian government to fostering nongovernmental organizations (NGOs) will reap significant returns. Most NGOs face organizational hurdles, including their dependence on government and foreign sources of funding. Typically, NGOs were much less involved in important political issues than were political parties and government officials, though this did not represent a new development in 2004. The smaller NGOs remain isolated from the political process owing to few resources and weaker connections to government decision makers. NGOs have been much less successful at advocating for policy change in Estonia than international governmental organizations such as the EU. *Estonia's civil society score remains at 2.00 for 2004, although changes of greater magnitude may occur in the coming year as a result of the Estonian Civil Society Development Concept.*

Independent Media. Media independence in Estonia continued to increase in 2004. The ongoing commitment by the Estonian government to provide Internet access to the general population and improvement in the portion of the population using the Internet are strong positives. Individual media outlets experience steady financial pressure as the result of a relatively large number of such outlets competing for readers and market share. *Estonia's independent media rating remains at 1.50.*

Local Democratic Governance. Ongoing discussions about a significant overhaul of local government have yet to result in a concrete plan. Corruption, a topic of less concern in Estonia than in other *Nations in Transit* countries, is most disconcerting at the local level. The 2000 decision to place local police prefectures in charge of investigating local corruption has not improved transparency or accountability in local government. In addition, a significant shake-up in the leadership of Tallinn—with the removal of Mayor Edgar Savisaar—is of particular note given the significant portion of the country's population (one third) that resides in the capital city. Savisaar's removal, driven partly by concerns about the city's budget, coincided with defections from his Center Party in the national government. *Estonia's new rating for local democratic governance is set at 2.50 owing to a vibrant system of local governance in which citizens participate; however, a continued lack of resources delegated to local authorities has impeded effective local governance.*

Judicial Framework and Independence. Estonia continued to make progress in this area in 2004. The imperatives of the EU accession process gave judicial reform an added sense of urgency. The new code of criminal procedure took effect in the summer of 2004. In addition to familiarizing themselves with the provisions of this legislation, Estonian judges received EU-funded training in 2004 on the European Court of Justice and implementation of EU law. Legislation such as the Law on the Courts (adopted on June 19, 2002) and the code of criminal procedure (passed on February 12, 2003) has added to a strong base of judicial independence. Lifetime judicial appointments and a prohibition on taking other appointed public offices also play a valuable role. There are still concerns surrounding the conditions of prisons and the training of prosecutors. *Estonia's judicial framework and independence rating improves from 1.75 to 1.50 owing to effective reform of the criminal code and increased judicial independence.*

Corruption. Although the government and society remain highly transparent and relatively free from corruption overall, corruption remains a concern in Estonia. In 2004, Estonia's ranking in Transparency International's Corruption Perceptions Index improved slightly from the previous year, partly because of the influence of pursuing and acquiring EU membership. The Estonian public perceives the national government as more corrupt than evidence would support. This perception is likely due, in part, to the aggressive coverage of the relatively few scandals

involving national political figures by Estonia's pervasive print media. Corruption at the local level appears to be a more genuine problem. *Estonia's corruption rating remains at 2.50 owing to minimal improvements at the national level and the lack of change at the local level.*

Outlook for 2005. The political events of 2005 will center on instability in the ruling coalition, ongoing debates about fiscal policy (including controversy regarding proposed tax cuts), the fate of the Center Party, local elections in October, continuing efforts at social integration, and the role of Estonia as a new member of the EU and NATO.

Government stability may be a potential area of concern in 2005, signaled by such indicators as the success of the Social Democratic Party (named the Moderate Party until February 2004) in the 2004 European Parliament election, the lack of success by the ruling coalition parties in this election, their ongoing disagreements about tax policy, and sliding support in public opinion polls for government coalition parties during 2004. Some observers believed that the coalition had been formed and maintained largely out of fear of Edgar Savisaar. His removal as Tallinn mayor also removes that force for cohesion. The defections of key Parliament members from the Center Party in 2004 threaten its viability as a leading political party in 2005. The extent to which these various possibilities play out will greatly affect the results of the 2005 local elections, scheduled for October.

The EU Constitutional Treaty, signed by representatives of the 25 member states in October 2004, must be ratified by all EU members by November 2006. Estonia is likely to ratify the treaty through a parliamentary vote rather than a referendum to the people. The EU continues to closely monitor Estonian legislation and its application, government practices, and social relations, including ongoing efforts to integrate the ethnic minority population. Whether the Estonian government will remain as strongly committed to further improvement in the areas of minority rights and rule of law now that EU and NATO membership have been attained bears monitoring in 2005 and beyond.

MAIN REPORT

National Democratic Governance

Estonia has a democratic political system centered on an accountable Parliament that fuses the legislative and executive branches. This design places significant power in the hands of the Parliament, the prime minister, and other government ministers. The judicial branch provides an important check on the government. The Supreme Court rules on the constitutionality of laws, and these rulings are enforced by the government.

Like many Central and Eastern European states, Estonia has a dual executive with both a president and a prime minister. By far, the prime minister is the more important chief executive, although the president occasionally plays a role in policy making by recommending changes and temporarily blocking acts of the Parliament. Like most parliamentary systems that are forced to rely on coalition governments, Estonia's has had a history of conflicts among coalition parties that threaten the stability of the ruling coalition. The overall political system has been quite stable since the restoration of the country's independence in 1991, but several shake-ups have occurred in the government. If Juhan Parts, prime minister of Estonia since 2004, survives his entire four-year parliamentary term, it would be a first for any of the Baltic states since the restoration of independence.

Warnings of coalition instability were indicated during 2004. The coalition that emerged following the spring 2003 parliamentary election—involving Res Publica, the Reform Party, and the People's Union—conflicted over taxation policy late in 2003. The Reform Party wanted a sizable reduction in the personal income tax rate (currently 26 percent), while the People's Union would support a cut only if offset by increases in other taxes and an overall escalation in government spending. For a brief time, it appeared that the disagreement would threaten to break apart the coalition; an agreement was ultimately reached late in 2003 to lower the rate by 6 percent over a period of several years but to maintain the 26 percent rate in 2004.

The coalition survived the tax rate squabble, but at a cost. Results from a national survey conducted by the Estonian polling firm Emor indicated that support for Res Publica and the Reform Party dropped following the crisis, and at the end of 2003 both parties were supported by less than 15 percent of eligible voters. The decline continued in 2004. Though the low turnout makes it difficult to judge, the poor showing by the ruling coalition parties in the 2004 European Parliament elections also raised a red flag about their general level of support.

Similar to 2003, when two government ministers resigned, 2004 saw three high-level national resignations in Estonia. Agriculture Minister Tiit Tammsaar resigned in March after it was discovered that a large portion of the country's emergency grain stores (about one third of the 40,000-ton reserve) was missing. Though Tammsaar suggested that the grain may have been missing before the current ruling coalition took power, he pledged to resign to allow the government to better devote its attention to the final stages of accession to EU membership, reported Radio Free Europe/Radio Liberty (RFE/RL).

In September, Minister of Economic Affairs and Communications Meelis Atonen resigned because of an ongoing dispute involving ferry service from the mainland to Estonia's western islands of Saaremaa and Hiiumaa. The problems began in 2003 when the only bid for a new contract (starting in fall of 2004), made by the operator of Saaremaa Laevakompanii (Saaremaa Shipping, SLK), was deemed too expensive for the government and rejected. Atonen subsequently eased restrictions on the tender, then had to cancel it altogether when the four companies bidding for the contract were unable to meet the tender's terms. The refusal of SLK to participate in the bidding was a significant factor in the affair. The process came to be seen as an attempt by the government to break up SLK's ferry monopoly, a move Atonen eventually admitted was a mistake. Negotiations continued with SLK during the months that followed, but Atonen was unable to secure a contract agreement. The new minister, Tartu mayor Andrus Ansip, agreed on an extension of the contract with SLK a month after replacing Atonen.

In November, Defense Minister Margus Hanson resigned after a briefcase containing sensitive state documents was stolen from his house in Tartu at the end of October. Though there was no indication that Hanson participated in the theft (his house was burglarized while he slept), the Estonian security police launched a criminal case against him. Provisions in Estonian law allow for the imposition of a fine or imprisonment for officials who permit state secrets to become public through negligence. It did not help Hanson's case that he waited several days to inform the police about the stolen briefcase.

The October removal of Tallinn mayor Edgar Savisaar added to the volatility of Estonian politics in 2004. Savisaar is a leader of the opposition Center Party, but his removal also coincided with the fracture of the Center Party within the Parliament. Though not in the government, the Center Party had as many seats as any party in the Parliament until September 13, 2004. On that date, 8

of the 28 Center Party parliamentarians left the party faction. Late in 2004, there were indications that other resignations from the party were to follow. These resignations, removals, and defections added to speculation that the success of the Social Democratic Party in the European Parliament elections earlier in the year was no fluke.

The other significant scandal in 2004 with the potential to affect the country's political stability involved the erection and removal of a controversial monument in Lihula. The monument to Estonians who fought in the German army against the Soviet Union, featuring an Estonian in a German military uniform, was put up on August 20. The sculpture, funded by Estonian veterans, drew quick and sharp criticism from Russia and from a number of Jewish organizations. The Estonian government ordered the monument removed. It was dismantled in early September, sparking small protests from veterans and other supporters of the monument. The government justified the removal in part because the monument was damaging Estonia's international reputation, as Prime Minister Juhan Parts pointed to criticism from the European Union (EU) and the United States. The Organization for Security and Cooperation in Europe (OSCE) quickly praised the government's decision to remove the monument.

Despite these controversies and resignations, the Estonian government is relatively free of corruption. The Law on Public Service, Law on Anticorruption, and Law on the Government of the Republic govern the activities of the nearly 25,000 civil servants in Estonia. EU reports on Estonia have generally complimented this legislation. A late 2003 report indicated that "there have not been any changes to the status of the civil servants and other public employees established in the Law on Public Service, in force since 1996.... Satisfactory rules are in place to provide for the openness and transparency of the public service." According to a 2002 Open Society report on corruption in Estonia, there is "very little evidence of corruption among executive officials and civil servants." Little happened in 2004 to change such perceptions.

Estonia's overall transparency in the political arena is consistent with the government's openness and embrace of technology. Both the media and the general public have access to information about legislation in its draft stage and can even shape the final look of bills, largely through the use of the policy-focused Internet sites established by the government and nongovernmental organizations (NGOs). As early as 2001, the government began preparations for electronic voting. The process will be given a trial run in Tallinn in early 2005 and is on track for its debut in local elections later in the year.

In 2001, the government launched a Web page, *Täna Otsustan Mina* (I Decide Today), in which draft bills and amendments are uploaded for public comment. Individuals can even propose amendments to legislation, and ideas that gain significant public support are taken into account. The government estimates that around 5 percent of all proposed amendment suggestions are used. The daily work of the Estonian government reflects the country's embrace of technology in other ways as well. All cabinet meetings are now paperless, with ministers marking up legislation and voting via computer. Cabinet members can also participate in meetings online without being present at the location of the meeting. By 2004, all state and local agencies were obliged to provide services via the Internet.

An August 2004 Economist Intelligence Unit (EIU) report highlighted the success of these efforts but expressed some unease about ongoing connectivity limitations. The use of the Internet as a device for policy commentary by the general population further underscores the need to address the "digital divide." The EIU report warned of the role of e-governance efforts in

encouraging an “e-elite” in the country. Examining e-governance across Central Europe, the EIU report gave Estonia the highest overall ranking—ahead of the Czech Republic and Slovenia, the only two Central European countries even close to Estonia’s e-governance score. Estonia’s scores rivaled those of many Western European countries. It was particularly well regarded for its “business and legal environment,” “education and skills,” “government policy and vision,” “e-democracy” (such as the I Decide Today site), and “online public services for citizens.”

Electoral Process

Estonian electoral politics are highly democratic compared with what exists in many other developing democracies in East-Central Europe and Eurasia. The government's authority is based on universal and equal suffrage and the will of the people as expressed by regular, free, and fair elections conducted by secret ballot. Electoral laws, campaigning, polling, and tabulation of ballots are fair and consistent with the norms of Western European democracies. The electoral system is free of significant barriers to political organization and voter registration, and the resulting party system includes several viable political parties. There is a functioning opposition at both national and local levels.

Except for elections to the European Parliament, there were no major national elections in Estonia in 2004. In 2003, two important national elections took place, both following on the heels of local elections in late 2002. Elections for the Parliament early in 2003 led to a three-party coalition government that spanned the center of the political spectrum and included Res Publica, the Reform Party, and the People’s Union. In September 2003, a national referendum on membership in the EU and the required amendment to the Estonian Constitution was supported by slightly more than two thirds (66.83 percent) of voters, as reported by the Estonian National Electoral Committee.

Estonian turnout in national and local elections has generally been 50–60 percent. The European Parliament elections on June 13, 2004, marked a low point in citizen participation. Only 26.7 percent of registered Estonian voters turned out to select six European Parliament delegates through a national proportional representation system. Of the six delegates, three came from the Social Democratic Party (formerly the Moderate Party), which received 36.8 percent of the vote. One seat each went to the Center Party (17.5 percent of the vote), the Reform Party (12.2 percent), and the Pro Patria Union (10.5 percent), reported the Estonian Ministry of Foreign Affairs.

The low turnout reflected a trend across the EU of reduced turnout for the EU Parliament elections (which declined from 63 percent in 1989 to 58 percent in 1994, 53 percent in 1999, and 45.5 percent in 2004). Turnout was well below this average among the member states that joined the EU in 2004. Still, Estonia had the third lowest turnout, ahead of only Slovakia and Poland and well behind Baltic counterparts Latvia (41.2 percent) and Lithuania (48.2 percent), reported RFE/RL. The low turnout could be attributed to the small number of seats Estonia has in the European Parliament—6 of 732—and the perception among voters that the Parliament is not an important EU institution. The Estonian government also did a much poorer job of encouraging voters to turn out than it had less than a year earlier for the EU accession referendum.

Though one need not read too much into this particular election, the incident does reinforce concerns in Estonia about voter apathy and lack of knowledge about the EU. According to an EOS Gallup Europe poll on the eve of the election, while a majority of respondents in Estonia

could correctly identify the date of the upcoming election, less than one quarter could correctly answer how many countries were in the EU as a result of the 2004 expansion, and half said if they did not vote, it was because they were uninterested in European elections. Survey data and the results of the election do not, however, represent growing dissatisfaction with EU membership. In 2004, another survey indicated that support for EU membership fluctuated from month to month but never dropped below 57 percent (as of March) and was as high as 72 percent late in 2004.

The year also witnessed a continued national debate about electing the president through direct popular vote. Draft legislation, supported by the ruling coalition, was proposed to create a six-year, one-term presidency chosen by the general population. Such changes would require amending the Constitution. Currently, the president is selected by the Parliament or, if no candidate can achieve the necessary two-thirds support (68 votes), by a majority of members from an electoral body made up of the Parliament and the representatives of local government councils. Because of the multiparty makeup of the Parliament, it is not surprising that previous presidential elections—including the 2001 election of the current Estonian president, Arnold Rüütel—have ended up being decided by the special electoral body. Muddled by the fact that “campaigns” for the presidency lack any connection to the general population, this unsatisfactory process has driven the call to institute a direct election system.

The ability of social groups to achieve adequate representation through elections remained a concern in 2004. None of the predominantly Russian-speaking political parties won seats in the 2003 elections. On the other hand, the number of female deputies in the Parliament increased from 18 to 19 (out of 101). While still relatively low by the standards of some Western European countries, the percentage of female members of Parliament compares favorably with those of other Western countries such as the United States.

The decision by the Estonian government in the early and middle 1990s to adopt citizenship policies that excluded large numbers of Russian-speaking residents continues to adversely affect their representation in national government. The sizable portion of the population without Estonian citizenship (around 19 percent) and the low levels of participation by noncitizens remain the focus of Estonian government efforts to integrate social groups. The lack of voting rights in national elections for noncitizens is not unusual; other democracies support similar restrictions. However, few other democracies sustain such a large portion of the population with citizenship from another country or no citizenship at all.

Even so, the Estonian government may be commended for its policy of allowing noncitizen permanent residents to vote in local elections—a rare provision even among advanced industrial democracies. In addition, there has been a steady reduction in the percentage of noncitizens over the last decade as part of government efforts to increase minority “integration.” These efforts have been praised by the United States and Western European governments as well as international governmental organizations (IGOs) such as the OSCE and the EU. Although interest in integrating minorities has been affected by concerns over the “other integration” (that is, EU membership), the efforts of the Estonian government should not be dismissed as a ploy to gain favor with EU officials. These efforts also represent a generally held desire to move toward a more unified and productive society and recognition that the effective integration of ethnic minorities is a crucial component in the achievement of this goal. Estonia planned to spend 83 million kroons (insert equivalent (US\$6.5 million) on integration projects in 2004, a 38 percent increase over 2003.

The other area in which the government would be advised to consider reform is the complex parliamentary electoral system. It includes multimember electoral districts, three rounds of counting that involve calculations of votes for individual candidates and for parties, and a 5 percent threshold and modified d'Hondt method in the third round of counting. In distributing mandates, the d'Hondt method uses a formula to reduce the vote total for the party that earns the first mandate; this modified vote total is then compared with vote totals for the other parties that have not earned a seat, and the next mandate is allocated. This process continues until all mandates have been allocated. These elaborate electoral rules have arguably played a role in Estonia's relatively low voter turnout in recent national elections. Turnout for the 2003 parliamentary elections was 58.2 percent, compared with a little under 57.5 percent in the 1999 parliamentary elections and 52.7 percent in the October 2002 local elections.

Civil Society

In principle, there is a commitment to autonomous organizations by the Estonian government and media. Yet in practice, NGOs continue to face numerous challenges. Thanks in part to the development of the Estonian Civil Society Development Concept (EKAK) and its acceptance by the Estonian Parliament, the situation for NGOs has improved somewhat over the last three years. The EKAK was adopted by the Parliament on December 12, 2002. This was followed in February 2003 by the signing of a "memorandum of national accord" by nearly 39 representatives of NGOs and the major political parties. This memorandum contained few specifics but committed to the development of a civil society based on ideals such as the rule of law.

In August 2004, the implementation plan for the EKAK for the period 2004–2006 was adopted. This agreement summarizes work to date by "a joint commission of the government of the Republic of Estonia and the representatives of the citizens' associations." More important, it lays out a series of activities and authorities, a timeline for implementing legislation regulating NGOs, involvement of NGOs in the decision-making process, financing of NGOs, collection of new data about NGOs, the teaching of civic education, and increasing public awareness of NGOs and their activities.

NGOs take one of three forms in Estonia: nonprofit associations, foundations, and nonprofit partnerships. The last are not required to be registered with the government. Although there were only around 600 foundations in June 2004, nonprofit associations are numerous (increasing from around 13,500 in 2001 to over 20,000 at the midpoint of 2004). Most NGOs function in the largest cities in Estonia, and over three quarters focus exclusively on local-level activities.

Groups advocating the rights of ethnic minorities and women are not uncommon, although, as with other issues, they have been much less effective in bringing about policy change than have IGOs. NGOs have less to offer government officials than do IGOs; thus, many of the policy changes over the last decade relating to ethnic minorities have come at the insistence of European IGOs. In November 2003, the EU listed the adoption of legislation on gender equality as one of three pressing priorities for Estonia. As a result, the Estonian Parliament passed such a law in April 2004, and it came into force on May 1.

Estonian society is generally free of excessive influence from extremist and intolerant nongovernmental institutions and organizations. In fact, NGOs related to the integration of ethnic minorities into Estonian society have been some of the most vibrant in the country, partly

because of the financial support provided by the Estonian government, foreign governments, and IGOs. In 2004, a new ethnic minority think tank, the Russian Institute, was formed. Though its founders had no inclination to transform it into a political organization, the failure of Russian political parties in Estonia created a void that NGOs addressing ethnic Russian concerns are steadily filling. Representatives of the President's Roundtable on National Minorities—an advisory body created by President Lennart Meri in 1993—expressed concern in late 2004 about the low level of political participation by ethnic minorities in Estonia.

Many individual NGOs lack organizational or financial capacity. Efforts by the Network of Estonian Nonprofit Organizations to improve coordination among Estonian NGOs has helped, as have the efforts of the Open Estonia Foundation—part of the network of Open Society Institute organizations established by George Soros. Open Estonia has funded millions of dollars in civil society projects over the last 10 years, often in cooperation with Western government aid (for instance, the U.S. Agency for International Development). Such funding has allowed many organizations to be established. The danger of external funding is the dependency it can create by lessening incentives for NGOs to develop their own fund-raising capacity.

The government is officially receptive to policy advocacy by NGOs and other interest groups. NGO representatives are invited to testify, comment on, and influence pending policies or legislation. One of the most valuable uses of the Internet is as a bridge between the Estonian government and the general population. A Web site run by the Estonian Law Center Foundation allows comments on legislation from the general public and particularly welcomes input from representatives of NGOs. At the same time, the actual impact of NGO activities on public policy in Estonia is less than many would like. Only among the largest NGOs have there been significant attempts to work with political parties to represent the issue positions of groups. According to the Open Estonia Foundation, the “reluctance of civil servants and politicians to take the third sector seriously creates barriers for participation,” particularly for smaller groups.

Estonian media are relatively supportive of civil society efforts. Media outlets provide space for the discussion of civil society activities. The newspaper *Postimees* publishes the “Foorum,” a monthly supplement designed to inform the general public about NGO activities and facilitate improved communication among various NGOs. A weekly television program on ETV, *The Third Sector*, also provides information about civil society. The program airs in Russian with Estonian subtitles.

Estonia's education system is generally free of political influence and propaganda. Yet existing contentious issues include the use of the Russian language for instruction at various levels, proposals related to privatizing higher education and implementing a system of tuition, and discussions about allowing vouchers for private schools. Developing proficiency in the Estonian language is an important component of the government's efforts to integrate the (Russian-speaking) minority population, and Estonian is a required subject from the first grade in all Russian-language public schools. The percentage of Russian-speaking students in higher education receiving instruction in Estonian could be stronger, though this would require an improvement in the teaching of Estonian to Russians in elementary and secondary schools and an improvement in the attitudes of Russian speakers about the importance of learning Estonian.

Independent Media

Estonian media are considered free by most observers. Media outlets are numerous, and legal protections for press freedom exist and are practiced. Also, there is little regulation over the establishment and functioning of media outlets, and investigative reporters are protected from victimization by powerful state or nonstate actors in other countries. The Association of Estonian Broadcasters is included regularly in government discussions on draft laws affecting the media. One concern in recent years had been that Estonia's libel and defamation laws may have deterred some journalists from aggressively pursuing stories that cast government officials in a negative light. Although this may help explain the comparatively small number of stories about corrupt local officials, it is not consistent with the aggressive coverage of political corruption at the national level. In addition, changes to the penal code in Estonia, which came into effect in September 2002, removed the libel and defamation provisions, which should ease journalists' fears in the future.

Considering the small size of the country, the Estonian public enjoys an impressively diverse selection of print and electronic sources of information representing a range of political viewpoints. Most of these media outlets are privately owned, although some receive government assistance. It could be argued that there are too many media outlets for the size of the country, leading to what the International Press Institute has called a “vibrant but saturated” market in which the survival of the smaller outlets is threatened. Others see the situation over the last decade as one in which the media landscape has stabilized. In addition to the large number of daily or weekly newspapers available in Estonia, there are 5 public service radio stations, 26 private radio stations, 3 nationwide television stations, and 14 licensed cable TV broadcasters. Information from Russian-language media is accessible in print (more than 24 Russian-language newspapers and magazines), over the radio (5 private radio broadcasters and 1 public service radio station offer Russian programming), and on television (2 of the 3 television stations in Estonia offer regular Russian-language programming). At the same time, the availability of Russian-language media is not in proportion to the large part of the population that speaks Russian.

In 2004, individual media outlets continued to struggle to maintain economic viability, owing largely to their significant numbers as compared with the relatively small number of potential readers/viewers in Estonia. The closing of the news operations of the Estonian News Agency (ETA) in February 2003 sparked concern about ownership concentration in Estonian media that continued into 2004. ETA, the oldest news agency in Estonia, was privatized in 1999 and faced economic hardship almost from the start. The move left Estonia with only one news agency, the Baltic News Service.

The Estonia Newspaper Association was founded as a professional association of print media outlets and has established guidelines for the conduct of print media in the country. For example, it developed rules for the coverage of political campaigns—providing “space to candidates on an equal basis,” indicating clearly when political information is in the form of an advertisement, and using caution when publishing results from public opinion polls. Likewise, the National Broadcasting Council is charged with establishing similar guidelines for radio and television coverage of political campaigns.

In February 2000, the Estonian Parliament passed legislation guaranteeing Internet access to the general population. As a result, Estonia has one of the most technologically connected

populations in Europe, and some have nicknamed the country “E-stonia” as a result. In early 2004, 30 percent of the population had a home computer, and three quarters of these computers were connected to the Internet; in all, over 50 percent of the population used the Internet, according to surveys in 2004 by the Estonian Ministry of Foreign Affairs. This is up from 44 percent in 2003, 39 percent in 2002, and 32 percent in 2001. Estonia’s usage rates are nearly double those of its Baltic neighbors, Latvia and Lithuania. Approximately 94 percent of Estonian companies have computers in the workplace, and 90 percent have computers with Internet connections, according to *Estonian Review*. In addition to high rates of Internet usage, nearly 90 percent of the population subscribes to mobile telephone service, and nearly half had digital identity cards at the end of 2004.

The country’s high rates of Internet usage come not only from the high percentage of residences with home computers, but also from a strong commitment to free Internet access points across the country. By the end of 2004, the country had established over 700 public Internet access points, as well as 380 free wireless Internet zones. Road signs with an “@” symbol point Estonian residents to the nearest Internet site, while black-and-orange “wifi/ee” signs mark wireless access points. All schools in Estonia are connected to the Internet, more than half of all households pay their bills electronically, and a government Web site allows citizens to access their various official records; the World Economic Forum ranked Estonia eighth in the world in putting the Internet to practical use. Even so, a “digital divide” remains in Estonia, particularly among those with different levels of education and between the young and the old. Around 90 percent of those ages 12 to 24 were Internet users in 2004, reported Emor.

Local Democratic Governance

Units of local government in Estonia include rural municipalities and towns, which are governed by elected councils and a mayor. The mayor is elected by the council, while the councils are directly elected to three-year terms (four years starting in 2005). There are also 15 counties, each headed by an appointed governor. The county governor is appointed by the national government (on the advice of the prime minister and minister for regional affairs) for a five-year term; there are no county government elections.

Local governments in Estonia have a fair degree of autonomy from the national government in terms of policy development and implementation, but they have much less fiscal autonomy than local governments in many other countries. According to law, county governors are representatives of the national government and act as intermediaries between the national and local governments. Counties are responsible for environmental management, economic development, and supervision of local governments within their territory. Local governments generally oversee education, social welfare services, public transportation and road maintenance, and housing and public utilities. Local governments raise only around 5 percent of their budgets from local taxes and are therefore very dependent on the national government for revenue.

The lack of effective municipal reform, including consolidating the number of local governments, remains a problem. Because many municipalities in Estonia have fewer than 2,000 residents, their officials lack the personnel and administrative apparatus to efficiently administer their many tasks. The EU expressed concern in late 2003 that continued delays in this arena would jeopardize the full financing and implementation of policies (including the distribution of EU structural funds) at the local level. While the government continues to work on legislation to

dramatically reduce the number of local government entities, these proposed “administrative-territorial” reforms had not been adopted by the end of 2004.

Local elections in Estonia are considered free and fair by most observers. According to the Law on Elections of Local Government Councils (passed in 1996), all noncitizens 18 years or older who have lived in their locality for at least five years are qualified to vote in local elections. Because the elections are open to noncitizens, they lead to local governments that are arguably more representative of the permanent population than the government that is voted in following national parliamentary elections. Ethnic minorities have had an easier time achieving elected office at the local level than in the national Parliament.

Corruption in local governments has been a significant area of concern for Estonia, partly because it interferes with democratic accountability at the local level. Although efforts have been made since 2001 to reform local government, corruption has been facilitated by a weak system of control. The security police had traditionally overseen local corruption investigations but lost this power in 2000; instead, local police prefectures were put in charge of investigating cases of corruption such as the bribery of local government officials.

The most noteworthy event in local governance in Estonia took place in October when the Tallinn City Council removed Mayor Edgar Savisaar. Of the 60 council members present, only 2 voted against the no-confidence motion (34 members supported it, and 24 abstained). Savisaar was replaced by former Tallinn mayor Tonis Palts. Savisaar was blamed for Tallinn's budget problems, and his fate was sealed when the Reform Party, the coalition partner of Savisaar's Center Party, withdrew its cooperation and announced plans to work instead with Res Publica and the People's Union. As discussed earlier, the move coincided with defections from the Center Party within the Parliament.

Judicial Framework and Independence

Though the Russian government has repeatedly claimed that policies affecting Russian speakers in Estonia amount to human rights violations, most international observers disagree. As early as 1997, the European Commission concluded that “no major problems over respect for fundamental rights” exist regarding Estonia; likewise, a 2002 European Commission report highlighted the country's respect for freedom of expression. That a large portion of the Russian-speaking minority lacks Estonian citizenship remains a source of apprehension, but scholars and international officials generally do not consider it a fundamental human rights violation. While mentioning citizenship as an area of concern, a Council of Europe report (based on a fact-finding trip to Estonia by the organization's commissioner for human rights in October 2003) concluded that “the authorities have gone a long way to ensuring the rights of the Russian-speaking minority.”

By contrast, the country's treatment of women and children is in need of improvement. Spousal and child abuse is not uncommon, though it may lead to prosecution. Prostitution (including child prostitution) is common. These activities point to the related problem of trafficking in persons. Estonia is a source, transit point, and destination for the trafficking of women for purposes of sexual exploitation.

In 2003, the UN Committee on the Rights of the Child evaluated Estonia's initial report. The committee expressed concern about the need to bring Estonian legislation in line with the Rights of the Child Convention, to improve the role of NGOs in implementing the convention, and to

increase government spending on programs targeting children. The committee also criticized Estonia for submitting the report eight years late. On the other hand, it praised the country's adoption of legislation such as the new 2002 penal code, the continuation of the 2000–2007 integration program, and the establishment of comprehensive health insurance.

Those charged with a crime in Estonia are eligible for legal assistance. However, the above-mentioned report by the Council of Europe human rights commissioner called for improvements in access to free legal aid and information about legal rights provided to detainees. For the most part, suspects and prisoners are protected against arbitrary arrest, detention without trial, searches without warrants, torture and abuse, and excessive delays in the criminal justice system.

However, Estonia has been criticized for its treatment of suspects and the conditions of its prisons. In 2004, the U.S. State Department expressed concern about the use of excessive force and verbal abuse by police. This followed criticism from the UN Committee Against Torture in late 2002 for isolated incidents “of ill-treatment of detainees by officials” in some police departments. Previous criticism from the European Committee for the Prevention of Torture, based on trips to Estonia in 1997 and 1999, had also criticized detention conditions. The condition of prisons in the country was a focus of government efforts in 2004. Physical improvements were made at Murru prison, while retention of prison staff in the country improved slightly during the year. Conditions continue to warrant further attention, particularly in the areas of staff training and prisoner health.

In general, Estonia observes equality under the law for its citizens. The European Commission expressed concern in 2003 about the lack of legislation addressing discrimination “in the workplace, job training, social policy, education, access to goods and services, and housing.” Estonia also drew criticism for its lack of public information regarding discrimination and for draft antidiscrimination legislation that insufficiently reduces “inequality arising from language proficiency and ethnic origin.” Such concerns lingered in 2004, but it is important to note that general standards of justice common in the West (presumption of innocence, independence of prosecutors, and so forth) are practiced in Estonia.

The new code of criminal procedure came into effect in the summer of 2004, and EU assessments have been generally positive. The new rules will enhance the role of prosecutors in investigations. Adversarial trials—in which the prosecution and defense frame disputes, while a judge acts as a neutral arbiter—will become common. Judges continued to receive training about the new rules in 2004. In addition to preparations specific to the new code, judges have received training on the European Court of Justice, the role of national courts in the EU, and implementation of EU law. The EU’s PHARE program has coordinated and funded much of the judicial training over the last several years.

The Law on the Courts, adopted in 2002, has helped ensure judicial independence. According to EU monitoring reports, the appointment of judges for life and the rules for removing them encourage judicial independence, and the November 2003 EU report on Estonia highlighted the decrease in the number of judicial vacancies: 237 sitting judges and only 3 empty positions. Some concerns have existed about corruption in the judiciary. Although the issue is addressed in the Law on Anticorruption, it is unclear whether judicial corruption has received the attention from the Parliament that it deserves. At the same time, increases in judges’ salaries may limit incentives for corruption.

Corruption

Corruption in the Baltic states is a greater problem than in most Western European countries, but according to a recent Transparency International report, it does “not pose a vital threat to the functioning of democracy” in countries like Estonia. Despite a public perception of corruption within the national government, Estonia is considered one of the least corrupt of the Eastern European and former Soviet states. Transparency International’s 2004 Corruption Perceptions Index placed Estonia in a tie with Slovenia as the least corrupt of the new EU member states. Estonia ranked 31st in the global rankings, two spots higher than its 2003 position. The report complimented Estonia’s adoption of a national anticorruption plan and its efforts to address concerns about political party funding. Unlike many nations in transit, Estonia does not advance its anticorruption efforts as a ploy to aid its attacks on political opponents at the national level. If anything, officials removed from national office or forced to resign over the last several years have tended to be high-ranking.

Though little evidence exists of rampant corruption among national political leaders, concerns linger about political parties. The Transparency International 2004 Corruption Barometer gave corruption in political parties the highest score among 15 social and governmental institutions and sectors. In addition, an Open Society Institute report raised questions about corruption at the local level and the persistence of organized crime—again a predominantly local problem in terms of its impact on political corruption. The only real oversight of local officials (other than from voters) comes from the audit commissions of local councils, which have neither the expertise nor the incentive to pursue local corruption. The report also called into question the compliance of political parties with rules regarding funding and fund-raising.

Still, even this report gave Estonia high marks for its treatment of corruption “as a distinct crime under criminal law” (something unusual in transition countries) and for comprehensive conflict of interest rules in the country’s Law on Anticorruption. Likewise, a 2002 Organization of Economic Cooperation and Development *Anticorruption Network for Transition Economies* report stated that the Law on Anticorruption “provides the legal basis for the prevention of corruption” and declared that “Estonia has come a long way in creating a good legal basis for fighting corruption.”

Once more, the EU accession process has been an important factor in shaping Estonia’s approach to corruption. According to a 2002 Transparency International report, the EU considers the fight against corruption in new member states to be “a vital element in building administrative capacity, strengthening the judiciary, and ensuring financial control.” It has, however, been generally supportive of Estonia’s efforts and complimentary of the country’s low levels of corruption.

A second reason for Estonia’s low levels of government corruption is, arguably, its laissez-faire approach to economics. To say that the Estonian economy is free from excessive bureaucratic regulations, registration requirements, and other controls that increase opportunities for corruption is an understatement. As 2004 came to a close, the Heritage Foundation/*Wall Street Journal*’s Index of Economic Freedom rated the Estonian economy the fourth most economically free in the world, behind only Hong Kong, Singapore, and New Zealand. An irony of the EU accession process is that the Estonians—in their zest to remove the vestiges of the old Soviet system—created an economy that was too market oriented for its Western European EU partners. Many of the issues addressed in accession talks with the EU involved the

reestablishment of government control over aspects of the economy, though the EU's concurrent concerns about corruption make it unlikely that such changes will open the door to a noticeable increase in corruption.

The final cause of low levels of corruption, as well as the government's actions in 2003 and 2004 to address potential concerns, is a degree of intolerance among the general population for official corruption. Though corruption is far from rampant in the government, the Estonian population was not terribly trusting of any government figure other than the president in 2004. The electoral success of Res Publica in 2003 can, again, be attributed as much to displeasure with the previous ruling coalition (coupled with Res Publica's vague claims of aggressively pursuing corruption) as to disapproval of policy positions of the party. Likewise, the Social Democratic Party's success in the European Parliament elections in 2004 may reflect a positive assessment of it owing in part to its lack of participation in national government affairs. One of the first actions of the ruling coalition following its transition to power was the reconstitution of the Anticorruption Committee in the Parliament. This committee worked in 2004 to collect, verify, and publish information about the assets of sitting government officials.

Allegations of corruption are given an extensive airing in Estonia's print media. This is a likely reason for the public's perception of high levels of corruption among national political figures. Less attention has been paid in the electronic media to corruption, though it is unclear whether this is a result of political interference or simply a lack of investigative resources. Consistent with other concerns about the local level, observers have noted that local media outlets are less zealous than national media in exposing corruption. Yet whistle-blowers, anticorruption activists, investigators, and journalists enjoy legal protections in Estonia, and there is little reason to feel insecure about investigating and reporting on cases of bribery and corruption.