CHAPTER – III

CONSTITUTIONAL DEVELOPMENT
AND THE EMERGENCE OF
MULTIPARTY SYSTEM IN ESTONIA,
1992-1995
Estonia is one of the smallest continental nation-state in the world with its own distinct language and a fully developed modern culture based on this language. Like other Baltic states, Latvia and Lithuania, it also had to face colonial rule for many centuries. The Estonian movement for separate statehood emerged from the dissolution of the Russian Empire. The idea of Estonian autonomy was actively promoted after the Russian revolution of February 1917. On 30th March 1917, the Russian Provisional Government approved a draft statute for local government in Estonia. Estonia was the only national region to which the provisional government of 1917, after a massive demonstration of Estonians in Petrograd, granted autonomy.\textsuperscript{1}

The first, significant step towards achieving an autonomous state of Estonia was taken on 28th November 1917, when the Estonian Provincial Assembly, (or Diet), declared itself to be the supreme power in Estonia. On 24th February 1918, the Salvation Committee of Estonia, which was exercising an executive function on the authorization of the Diet of Estonia, issued a “Manifest for All Nations of Estonia”, by which Estonia was declared an independent state. The manifest declared Estonia to be a democratic republic, and made provision for elections to a Constituent Assembly by means of a general, direct and proportional electoral system. The rights and freedom of its citizens and the right of cultural autonomy for its national minorities were also established.\textsuperscript{2}

Elections to the Constituent Assembly were conducted on 23rd April 1919. According to a declaration made by the Constituent Assembly, the new Estonian republic was independent of any legal act issued before the manifest of 1918, and was not to be considered as the legal successor of any state which had previously existed on Estonian territory. The Constituent Assembly’s declaration drew on the fundamental principle of the sovereignty of a nation. The main tasks undertaken by the Constituent Assembly was the drafting of a Constitution and the document which eventually emerged reflected a wide range of interpretations of the true meaning of democracy.

The majority of the Constituent Assembly’s members belonged to the left of centre, and social democratic parties.\(^3\)

The first Constitution of Estonia which was adopted on 15th June 1920, and entered into force on 21st December 1920, established the state order of Estonia as a democratic republic, whereby the supreme power was vested in its citizens. According to the Constitution of 1920, the supreme body of the Republic of Estonia was parliament, the Riigikogu. The Riigikogu was one-chambered and consisted of 100 members elected for a term of three years. There was no head of state and the leader of the government is the prime minister, who fulfilled the ceremonial duties of the head of the state. Elections were to be organized on a population basis with the participation of elective citizens. The members of the Riigikogu were to be elected by universal, uniform, direct, and secret voting.\(^4\)

The first Riigikogu was elected in November 1920. The political parties with the largest representation in the first Riigikogu were the Labour Party having (22 seats), the Assemblies of Farmers (21), and the Estonian Social-Democratic Workers' Party (18). The second Riigikogu was elected in May 1923. The political parties with the largest representation in the second Riigikogu were the Assemblies of Farmers (23), the Estonian Social-Democratic Workers' Party (15), and the Labour Party (12). The third Riigikogu was elected in May 1926. The political parties with the largest representation in the third Riigikogu were the Estonian Socialist Workers' Party (24), the Assemblies of Farmers (23), and the Union of Settlers, State Tenants and Small Farmers (14). The fourth Riigikogu was elected in May 1929.

The political parties with the largest representation in the fourth Riigikogu were the Estonian Socialist Workers' Party (25), the Assemblies of Farmers (24), and the Union of Settlers, State Tenants and Small Farmers (14). The fifth Riigikogu was elected in May 1932. The political parties with


the largest representation in the fifth Riigikogu were the Alliance of the Assemblies of Farmers and the Union of Farmers, Settlers and Small Farmers (42), the National Centre Party (23), and the Estonian Socialist Workers' Party (22).  

All important state-related questions pass through the Riigikogu; in addition to approving legislation, the Riigikogu appoints high officials, including the Prime minister and Chief Justice of the Supreme Court, and elects the President. As the government did not enjoy independent executive authority, it was subordinate to the Riigikogu. This imbalance of power had serious consequences for Estonia which began to manifest themselves in the form of political instability, and there were frequent changes of government. The Constitution did not provide for a Presidential role. The Constitutional Committee of the Constituent Assembly had proposed the creation of a President and head of state who would have been elected either by the Riigikogu or by a number of qualified electors, but not by universal suffrage. As a result, the institution of a head of state with special authority was not established in Estonia and the function of the head of state was assumed by the head of government.  

The Constitution allowed for public initiative and for referenda, which was uncommon constitutional arrangement in Europe, at the time when it was enunciated. However, its democratic provisions prevented the government from properly functioning and instead of taking initiatives, the government was almost permanently in a state of defense. The Estonian form of democracy became unworkable, and Estonian citizens were increasingly dismayed by the democratic process. At the same time, the authority of the Riigikogu was declined rapidly. 

The political life of the liberal democracy in Estonia between 1920 and 1934 was characterized by the multiplicity of parties. There were three main powers dominated in the Riigikogu: Left wing (Labour Party, Estonian Social-Democratic Workers’ Party, Estonian Communist Party), Right wing

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(Farmers’ Unions, Christian People’s Party), and the Centre (Estonian People’s Party). 7 Parliament passed the national minority cultural autonomy act in 1925. The communist party was banned during those times that were under the guidance of Soviet Union. The backing of a right wing radical popular movement known as Estonian War of Independence Veteran’s League grew in early 1930s. 8 The members of this movement attacked the parliamentary system by using populist propaganda and demanded the adoption of a new constitution giving the president sweeping powers. The draft of a new constitution proposed by the Estonian veterans through popular initiative received 2/3 of the votes in the referendum of 1933. The new constitution came into force on 24 January 1934. 9

In 1934, the second constitution of Estonia laid the foundations for the establishment of an authoritarian state order in Estonia. Membership of the Riigikogu was reduced to 50, and its powers became more formal than real. A new institution was introduced into government of the state, namely the Head of State, to be elected every five years and was given the right of suspensive veto over Riigikogu decisions. 10 The Constitutional crisis of 1920-1934 in Estonia inevitably led to the rise of autocratic rule in Estonia. There are two main reasons that allowed the constitutional crisis to occur and consequently the rise in power of an autocratic ruler Konstantin Pats. 11

“Many historians of Estonia argue that Konstantin Pats ruled for the preservation of a stable government and economic growth but some may argue that Pats collaborated with the Soviets and encouraged the Soviet takeover. There was no real concrete evidence of these collaborations, however there was clear cut evidence that Pats’s rise to power was really not for Soviet rule. There was more evidence that his rise to power was for the preservation of his political power and not for the restoration of democratic

8 Ibid.
10 Ibid.
rule in Estonia.\textsuperscript{12} There were frequent changes of power in the government between 1920 and 1934 which increased the political instability of the country. There was an increasing trend amongst the people of Estonia to implement a government with a stronger executive that would promote political stability. This political unrest characterized by the newly formed State Assembly led to consolidation of powers in control of the State Assembly. Gradually the government was becoming less liberal and Estonia became a single-party state.\textsuperscript{13}

In due course of time and recognizing the risk to the democratic process which were inherent in the Constitution, the Head of State initiated a third Constitution of the Republic of Estonia. The third Constitution of the Republic of Estonia entered into force on 1st January 1938 which remained in force, de facto, until 16th June 1940, when the Soviet Union occupied Estonia and, de jure, until 28th June 1992 when the fourth Constitution of the Republic of Estonia was adopted by referendum. But in reality, the 1938 Constitution did not reduce the degree of authoritarianism and incorporated additional restrictions on the democratic process.\textsuperscript{14}

The Riigikogu became bicameral, consisting of a lower chamber, or State Council, and a newly created upper chamber. The direct power previously accorded to the state's citizens was renounced, public initiative was no longer allowed, and the holding of referenda was left at the discretion of the Head of State. The role of Head of State became more distant from the people than had been envisaged in the 1934 Constitution. The 1934 Constitution had provided for the Head of State to be directly elected by popular mandate but, in the 1938 Constitution, this was discontinued. Only the State Council and the assembly of representatives of local government had the right to nominate presidential candidates and, once a candidate had been nominated, the President was to be elected by these bodies instead of by popular suffrage. As far as the powers of the head of state were concerned,

\textsuperscript{12} Ibid.
\textsuperscript{13} Europa World Year Book, op.cit, p.1323.
there was little difference between the competence of the President and that of the earlier, Head of State.\textsuperscript{15}

The first general election under the new Constitution was held in February, 1938. The Government's opposition gained 17 seats out of 80 in the Chamber of Deputies. On April 24, 1938, Konstantin Pats was elected President of the Republic\textsuperscript{16}. It was somewhat a slow and carefully directed procedure back to the democratic way of life after a crisis, similar to contemporary authoritarian movements in Europe. In front of future events, it should be mentioned that the constitutional crisis in Estonia had no relation whatsoever neither to the insignificantly small number of local Communists nor to any Communist influences from abroad.

Estonia had pursued a policy of neutrality, but the signing of the Molotov-Ribbentrop Nonaggression Pact on August 23, 1939 signaled the end of independence. The agreement provided for the Soviet occupation of Estonia, Latvia, Finland, and later, Lithuania, in return for Nazi Germany's assuming control over most of Poland. After extensive diplomatic intrigue, the Estonian Socialist Republic (E.S.R.) was proclaimed on July 21, 1940, one month after Estonia was occupied by Soviet troops. The E.S.R. was formally accepted into the Soviet Union on August 6, and the official name of the country became the Estonian Soviet Socialist Republic (E.S.S.R.).\textsuperscript{17} Soviet occupation was accompanied by expropriation of property, Sovietization of cultural life, and Stalinist communism permeating political life.\textsuperscript{18}

An anti-Soviet guerrilla movement known as "the Forest Brethren" developed in the countryside, reaching its zenith in 1946-48. In March 1949, 20,722 people (2.5% of population) were deported to Siberia. By the beginning of the 1950s, the occupying regime had suppressed the resistance movement. After the war the Communist Party of the Estonian Soviet Socialist Republic (ECP) became the preeminent organization in the republic.

\textsuperscript{15} Collar's Encyclopedia (USA, Macmillan Educational Company 1993), vol.16, p.683.
\textsuperscript{17} Aarand Roos, Estonia- A Nation Unconquered, (Baltimore, Estonian World Council INC, 1985), p.51.
The ethnic Estonian share in the total ECP membership decreased from 90% in 1941 to 48% in 1952. After Stalin's death, party membership vastly expanded its social base to include more ethnic Estonians. By the mid-1960s, the percentage of ethnic Estonian membership stabilized near 50%. On the eve of perestroika, the ECP claimed about 100,000 members; less than half were ethnic Estonians and comprised less than 2% of the country's population.19

A positive aspect of the post-Stalin era in Estonia was a reopening in the late 1950s of citizens' contacts with foreign countries. Ties were reactivated with Finland, and in the 1960s, Estonians began watching Finnish television. This electronic "window on the West" afforded Estonians more information on current affairs and more access to Western culture and thought than any other group in the Soviet Union. This heightened media environment was important in preparing Estonians for their vanguard role in extending perestroika during the era of Soviet President Mikhail Gorbachev.20

In the late 1970s, Estonian society grew increasingly concerned about the threat of cultural Russification to the Estonian language and national identity. By 1981, Russian was taught in the first grade of Estonian language schools and also was introduced into the Estonian pre-school teaching. In the late 1970s, Estonian society grew increasingly concerned about the threat of cultural Russification to the Estonian language and national identity. By 1981, Russian was taught in the first grade of Estonian language schools and also was introduced into the Estonian pre-school teaching.

By the beginning of the Gorbachev era, concern over the cultural survival of the Estonian people had reached a critical point. The ECP remained stable in the early perestroika years but waned in the late 1980s. Other political movements, groupings, and parties moved to fill the power vacuum. The first and most important was the Estonian Popular Front.

19 Anderson Edgar, "The role of Baltic States between the USSR and the Western Europe" East European Quarterly (Colorado: University of Colorado), Vol.7, No.4, p.382.
established in April 1988 with its own platform, leadership, and broad constituency.\textsuperscript{21}

By 1989, the political spectrum widened, and new parties were formed and re-formed almost daily. The republic's Supreme Soviet transformed into an authentic regional lawmaking body. This relatively conservative legislature passed an early declaration of sovereignty (November 1988); a law on economic independence (May 1989) confirmed by the U.S.S.R. Supreme Soviet that November; a language law making Estonian the official language (January 1989); and local and republic election laws stipulating residency requirements for voting and candidacy (August, November 1989). Although not all non-Estonians supported full independence, they were divided in their goals for the republic.\textsuperscript{22}

In March 1990, some 18\% of Russian speakers supported the idea of a fully independent Estonia, up from 7\% the previous autumn, and only a small group of Estonians were opposed to full independence in early 1990. Estonia held free elections for the 105-member Supreme Soviet on March 18, 1990. All residents of Estonia were eligible to participate in the elections, including the approximately 50,000 Soviet troops stationed there. The Popular Front coalition, composed of left and centrist parties and led by former Central Planning Committee official Edgar Savisaar, held a parliamentary majority. In May 1990, the name of the Republic of Estonia was restored, public use of the symbols of the E.S.S.R. (anthem, flag, and coat of arms) were forbidden, and only laws adopted in Estonia were proclaimed valid.\textsuperscript{23}

Despite the emergence of the new lawmaking body, an alternative legislature developed in Estonia. In February 1990, a body known as the Congress of Estonia was elected in unofficial and unsanctioned elections. Supporters of the Congress argued that the inter-war republic continued to exist de jure: Since Estonia was forcibly annexed by the U.S.S.R., only citizens of that republic and their descendants could decide Estonia's future.

\textsuperscript{21} Ibid.
\textsuperscript{23} Ibid, p.333.
During the August coup in the U.S.S.R., Estonia was able to maintain constant operation and control of its telecommunications facilities, thereby offering the West a clear view into the latest coup developments and serving as a conduit for swift Western support and recognition of Estonia's redeclaration of independence on August 20, 1991.24

After passing a long duration of colonial rule and command slavery of over 250 years, Estonia took a very important step by establishing a constituent assembly on September 7, 1991 comparing 30 members elected by the supreme council and another 30 members elected by the Estonian congress. Such a political compromise between the two main groupings in Estonian politics reflected the general aim of the constitution to maintain the idea of legal continuity of the Estonian Republic and to take account to new realities and by 1992; it had to finish its work.

Under the constitution adopted on June 28, 1992, Estonia has a parliamentary system of government, with a prime minister as chief executive. Parliament also elects a president, whose duties are largely ceremonial, although the first holder of this office, Lennart Meri, sought to assert his independence. The constitution also governs the work of a legal chancellor, an auditor general, and the National Court. Freedom of expression and assembly, freedom of information, the right to petition the courts, and the right to health care are all guaranteed. Censorship and discrimination on the basis of nationality, gender, religion, or political belief are forbidden.

The official language of Estonia is Estonian. However, in deference to heavily Russian areas of northeastern Estonia, the constitution allows for the use of other languages in local government where the majority of the population is non-Estonian. Article 9 of the constitution guarantees equal constitutional rights to both citizens and noncitizens living in Estonia.

24 Kaplan Cynthia, op.cit, p.36.
Noncitizen permanent residents are also allowed to vote in local elections. Noncitizens may not, however, join political parties or hold elected office.\textsuperscript{25}

Chapter 1 of the Estonia Constitution deals with the General Provisions. Estonia is an independent and sovereign democratic republic wherein the supreme power of state is vested in the people. Estonia is politically a unitary state wherein the division of its territory into administrative units shall be determined by law. Governmental power shall be exercised solely on the basis of this constitution and such laws which are in accordance with the constitution. Universally recognized principles and norms of international law shall be an inseparable part of the Estonian legal system. The work of the Parliament, the President of the Republic, the government the Republic, and the courts, shall be organized on the principle of separate and balanced powers. The natural wealth and resources of Estonia are national assets, which shall be used sparingly. The national colours of Estonia are blue, black and white. The dimensions of the national flag, the national coat-of-arms shall be determined by law.\textsuperscript{26}

Chapter-II deals with Fundamental Rights, Liberties and Duties. Every child with one parent who is an Estonian citizen shall have the right, by birth, to Estonian citizenship, everyone who as a minor lost his or her Estonian citizenship shall have the right to have his/her citizenship restored. No person who has acquired Estonia citizenship by birth may be deprived of it. No person may be deprived of Estonian citizenship because of his or her persuasion. Conditions and procedures for the acquisition, loss and restoration of Estonian citizenship shall be determined by the law on citizenship.\textsuperscript{27}

The rights liberties and duties of everyone and persons as listed in the Constitution shall be Equal for Estonian citizens as well as for citizens of foreign states and stateless persons. Rights and liberties may be restricted only in accordance with the Constitution. Restrictions may be implemented only


\textsuperscript{27} Ibid.
insofar as they are necessary in a democratic society and their imposition may not distort the nature of rights and liberties. All persons shall be equal before the law. No one may be discriminated against on the basis of nationality, race, colour, sex language, origin, creed, political on other persuasions, financial or social status or other reasons. Everyone shall have the right to the protection of the state and the law. The law shall protect everyone against arbitrary treatment by state authorities. Everyone has the right to appeal to a court of law if his or her rights on liberties have been violated. Everyone has the right to life. This right is protected by law. No one shall be arbitrarily deprived of his or her life; everyone shall have the right to liberty and security of person. No one shall be deprived of his or her liberty, except in such cases and procedures as determined by law. No one may be held in custody for more than forty-eight hours without specific permission by the court. Such a decision shall promptly made known to the person in custody, in such a language and manner which he or she understands. Everyone shall court in accordance with procedures determined by law.28

Chapter-III deals with the people. Every Estonian citizens who has attained the age of 18 has the right to vote. The participation in elections of Estonian citizens who had been convicted under a court of law and who are serving a sentence in a place of detention may be restricted by law.29

Chapter-IV deals with the parliament. The Legislative power rests with the parliament. The Legislative power rests with the parliament. The parliament comprises of one hundred and one members, Members of the parliament are elected by free elections on the principle of proportionality. Some of the important functions of parliament are:

1. Adopt law resolution;
2. Decide on the conduction of referenda;
3. Elect the President of the Republic in accordance with Article 79;
4. Ratify and denounce foreign treaties in accordance with Article 121;

28 Ibid.
29 Ibid.
5. Authorize the candidate for Prime Minister to form the Government of the Republic;
6. Adopt the national budget and approve the report on its execution.
7. Appoint, on proposal by the President of Republic, the Chairman of the National Court, the Chairman of the Council of the Bank of Estonia, the Auditor-General, the Legal Chancellor, and Commander or Commander-in-Chief of the Defense Forces;
8. Appoint, on proposal by the chairman of National Court, judges for the National Court;
10. To decide, on proposal by the Government, on the issue of Government loans and the undertaking of other financial obligations by the state;
11. Present statements, declarations and appeals to the Estonian people, foreign states and international organizations;
12. Establish national orders of merit and military and diplomatic ranks;
13. Decide on votes of no confidence in the Government of the Republic, the Prime Minister or individual ministers.
14. Declare a state of emergency in the nation in accordance with Article 129;
15. On proposal by the President of the Republic declare a state of war, order mobilization and demobilization;
16. Resolve all issues of government which, according to the Constitution, are not to be resolved by the President of the Republic, the Government of the Republic, other state bodies or local government.30

Chapter V of the Constitution deals with the President of the Republic of Estonia.

The President of the Republic is the head of state of Estonia.

The President of the Republic shall:

1. represent the Republic of Estonia in international relations;

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2. appoint and recall diplomatic agents of the Republic of Estonia, on the proposal of the Government of the Republic, and receive the credentials of diplomatic agents accredited to Estonia;

3. declare regular elections to the Riigikogu and, pursuant to Article 89, 97, 105 and 119 of the Constitution, extraordinary elections to the Riigikogu;

4. convene the new membership of the Riigikogu, pursuant to Article 66 of the Constitution, and open its first session;

5. propose to the Chairman of the Riigikogu to convene an extra-ordinary session of the Riigikogu, pursuant to Article 68 of the Constitution;

6. proclaim laws, pursuant to Article 105 and 107 of the Constitution, and sign instruments of ratification;

7. issue decrees, pursuant to Article 109 and 110 of the Constitution;

8. initiate amendment of the Constitution;

9. designate the candidate for Prime Minister, pursuant to Article 89 of the Constitution;

10. appoint to and release from office members of the Government, pursuant to Article 89, 90, and 92 of the Constitution;

11. make proposals to the Riigikogu for appointments to the offices of Chief Justice of the Supreme Court, Chairman of the Board of the Bank of Estonia, Auditor General, Legal Chancellor, and Commander or Commander-in-Chief of the Defense Forces;

12. on the proposal of the Board of the Bank of Estonia, appoint to office the President of the Bank of Estonia;

13. on the proposal of the Supreme Court, appoint judges;

14. on the proposal of the Government of the Republic and the Commander of the Defense Forces, appoint to and release from office the leadership of the Defense Forces;

15. confer state awards, and military and diplomatic ranks;

16. be the supreme commander of the national defense of Estonia;

17. make proposals to the Riigikogu to declare a state of war, to order mobilization and demobilization, and, pursuant to Article 129 of the Constitution, to declare a state of emergency;
18. declare, in the case of aggression against Estonia, a state of war, order mobilization, and appoint the Commander-in-Chief of the Defense Forces, pursuant to Article 128 of the Constitution;
19. by way of clemency, release or grant commutation to convicted offenders at their request;
20. Initiate the bringing of criminal charges against the Legal Chancellor, pursuant to Article 145 of the Constitution.31

President of the Republic shall be elected by the Riigikogu, or, in the case provided by paragraph four of this section, by an electoral body. The right to nominate a candidate for President of the Republic rests with not less than one-fifth of the membership of the Riigikogu. An Estonian citizen by birth who has attained forty years of age may be nominated as a candidate for President of the Republic.32

Chapter VI of the constitution of Estonia deals with the Government of the Republic.

The Government of the Republic shall:

1. execute the domestic and foreign policies of the state;
2. direct and co-ordinate the activities of government agencies;
3. administer the implementation of laws, resolutions of the Riigikogu, and legislation of the President of the Republic;
4. introduce bills, and submit international treaties to the Riigikogu for ratification and denunciation;
5. prepare the draft of the state budget and submit it to the Riigikogu, administer the implementation of the state budget and present a report on the implementation of the state budget to the Riigikogu;
6. issue regulations and orders on the basis of and for the implementation of law;
7. manage relations with other states;

32 Ibid.
8. declare an emergency throughout the state or in a part thereof, in the case of a natural disaster or a catastrophe, or to prevent the spread of an infectious disease;

9. perform other duties which the Constitution and the laws vest in the Government of the Republic.\(^{33}\)

Chapter-VIII of the new constitution deals with Finance and the National Budget. The sole right to issue currency in Estonia is The Bank of Estonia. The Bank of Estonia organizes Currency Circulation, and promotes the stability of a good national currency. The Bank of Estonia operates in accordance with the law, and reports to the parliament. The Government of the Republic shall present a draft national budget to the Parliament no later than three mouths before the commencement of the budget year. The Procedures for the preparation and adoption of the budget shall be determined by law.\(^{34}\)

Chapter-IX of the new constitution deals with Foreign Relation and Foreign Treaties. A procedure for the relations of the Republic of Estonia with other states and with international organizations is determined by law. The parliament shall ratify and denounce treaties of the Republic of Estonia. The land border of Estonia shall be determined by the Tartu Peace Treaty of February 2, 1920 and other international border treaties. The sea and air borders of Estonia shall be determined on the basis of international conventions. A two-thirds majority of the complement of the parliament shall be mandatory for the notification of treaties which amend Estonian state borders.\(^{35}\)

Chapter-X of the new constitution deals with National Defence. The President of the Republic is the supreme commander of national defence. The Estonian defence forces are headed by the Commander of the Defence Forces in peacetime, and the Commander-in-Chief of the Defence Forces during a state of war. The Commander and Commander-in-Chief of the Defence


\(^{34}\) Ibid.

\(^{35}\) Ibid.
Forces shall be appointed and recalled by the parliament, on proposal by the President of the Republic. In case of a threat to the constitutional system of government, the parliament may declare on proposal by the President of the Republic or the Government of the Republic, and with a majority of its complement, a state of emergency in the whole country, with a duration of no longer than three months. Regulations for a state of emergency shall be determined by law.

During a state of emergency on a state of war, the rights and liberties of a person may be restricted, and obligations placed upon them, in the interest of national security and public order, in the cases and in accordance with procedures prescribed by law. During emergency on a state of war there shall be no elections for the parliament, the President of the Republic or representative bodies of local government, nor can their authority be terminated. The authority of the parliament, the President of the Republic and representative bodies of local government shall be extended if they should end during a state of emergency on a state of war. In these cases new elections shall be declared within three months of the end of a state of emergency or a state of war.36

Chapter-XI deals with the state audit office. The State Audit Office is an independent state institution with responsibility for economic control. While Chapter-XII deals with the Legal Chancellor of the Republic. The Legal Chancellor, an independent authority, supervises in accordance with the constitution, legislations of the legal acts issued by the state legislatures and executive, as well as by the local government bodies.

Chapter-XIII of the new constitution deals with courts. Are independent in their activities and administer justice in accordance with the constitution and the laws. The Supreme Court is the highest court in the state and shall review court judgments by way of cassation proceedings. The Supreme Court is also the court of constitutional review. The Chief Justice of the Supreme Court is appointed by the Riigikogu, on the proposal of the

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President of the Republic. Justices of the Supreme Court are appointed to the office by the Riigikogu, or the proposal of the Chief Justice of the Supreme Court. Others Judges are appointed to the office by the President or the proposal of the Supreme Court. The rules of court procedure regarding representation, defence, state prosecution, and supervision of legality are provided by law. The Supreme Court declares invalid any law or other legislation that is in conflict with the provisions and spirit of the constitution.37

Chapter-XIV of the new constitution deals with the Local Government. All local issues are resolved and managed by local governments, which operate independently pursuant to law. The units of local government are rural municipalities and towns. The representative body of a local government is the council which is elected in free elections for a term of three years. The elections are general uniform and direct. Voting is secret. A local government has an independent budget for which the bases and procedure are provided by law. A local government has the right on the basis of law, to levy and collect taxes, and to impose duties. The boundaries of local government are not altered without considering the opinion of the local government concerned. A local government has the right to form unions and joint agencies with other local governments. The administration of local governments and the supervision of their activities are provided by law.38

The Riigikogu (State assembly) which replaced the transitional supreme council in 1992 has 101 members, who are chosen every four years by popular election. It can be considered as the central point of the Estonian political system. As the central point of the Estonian political system, a broad range of matters are within the authority of the Riigikogu. Legislative power is vested in the Riigikogu, which also functions to balance the powers of the President, the Government and the courts.

The Riigikogu-

38 Ibid.
1. adopts laws and resolutions;
2. decides on the conducting of referenda;
3. elects the Head of State - the President of the Republic;
4. ratifies and denounces foreign treaties;
5. authorizes the candidate for Prime Minister to form the Government of the Republic;
6. adopts the state budget and approves the report on its implementation;
7. appoints, on proposal by the President of the Republic, the Chairman of the National Court, the Chairman of the Council of the Bank of Estonia, the Auditor-General the Legal Chancellor and the Commander or Commander-in-Chief of the Defence Forces;
8. appoints, on proposal by the Chairman of the National Court members of the National Court;
9. appoints members of the Council of the Bank of Estonia;
10. decides, on proposal by the Government, on the issue of Government loans and the undertaking of other financial obligations by the state;
11. decides on votes of no-confidence in the Government of the Republic, the Prime Minister or individual ministers;
12. declares a state of emergency in the state;
13. declare on proposal by the President of the Republic, a state of war; orders mobilization and demobilization.
The Riigikogu also resolves all national issues which, according to the Constitution, are not to be resolved by the President of the Republic, the Government of the Republic, other state bodies or local governments.39

The Riigikogu is a unicameral parliament. The Riigikogu has one hundred and one members who are elected in free elections, by secret ballot, on the principle of proportionality. The authority of Riigikogu members commences on the day that election results are announced and the authority of the outgoing members of the previous Riigikogu ceases at the same time. Riigikogu members assume office upon taking the oath of office. Members of the Riigikogu are not tied to their mandate, nor can they be held legally liable for votes or political statements made in the Riigikogu or in any of its bodies. A member of the Riigikogu may be charged with a criminal offence only on proposal by the Legal Chancellor and with the consent of the majority of the members of the Riigikogu. Members of the Riigikogu may not hold any other public office and are released from the obligation to serve in the Defense Forces for the duration of the term of office. The authority of a member is suspended upon his or her appointment as a member of the Government of the Republic, and is restored upon his or her being released from the duties as a member of the Government.40

Riigikogu members also have the right to submit drafts of laws to the parliament and to demand explanations from the Government or individual ministers, the President of the Bank of Estonia, the Chairman of the Council of the Bank of Estonia, the Auditor-General, the Legal Chancellor and the Commander or Commander in Chief of the Armed Forces. The work of the Riigikogu is coordinated by the board of the Riigikogu, which consists of the Speaker and two Deputy Speakers, who are elected by secret ballot for one year at the first session of the new Riigikogu.

The board of the Riigikogu organizes the work and the representation of the Riigikogu, divides the members into committees (with the approval of the parliamentary factions), registers factions and drafts the agenda for Riigikogu sessions, to be confirmed by the Riigikogu. The Riigikogu administrative office services the committees and factions and is lead by a director, who is appointed by the board of the Riigikogu. The Riigikogu elected Ülo Nugis as Speaker of the Riigikogu and Tunne Kelam and Edgar Savisaar as the Deputy Speakers in 1992.41

On June 20, 1992 the First Parliamentary and Presidential elections were held, in Estonia in which 68 percent of citizens participated. The election of a new parliament, the Riigikogu, and the formal restoration of the Republic of Estonia marked the opening of a new political era. There was not only a new set of deputies elected, but Estonia took a further step in defining its political forces and developing a new political culture. As expected, right-wing parties did best in the electoral poll, promising "to clean house" and offer a fresh beginning after the Soviet era. The contest for the 101-seat Riigikogu yielded a three-party center-right coalition government holding fifty-two seats. The Fatherland Party (Isamaa) led the coalition with thirty seats, the Estonian National Independence Party (Eesti Rahvusliku Sõltumatuse Partei) had ten seats, and the Moderates (Mõõdukad--made up of the Social Democratic Party and the Rural Center Party) had twelve seats. In opposition were the Coalition Party (Koonderakond), the Rural Union (Maaliit), the Estonian Center Party (Eesti Keskerakond), the Royalist Party (Rojalistlik Partei), and the Estonian Citizens Union (Eesti Kodanike Liit). Because noncitizens were not allowed to vote in the election, most of Estonia's Russian population was excluded from the poll. Consequently, the new Riigikogu was 100 percent ethnic Estonian42.

The 1992 elections also saw a special contest for the largely ceremonial post of president. Although the new constitution stipulates that the president shall be elected by the parliament, the Constitutional Assembly in early 1992

41 Ibid.
succumbed to popular pressure and agreed to have the country's first president elected by the people. In the resulting poll, the incumbent chairman of the parliament, Arnold Rüütel, topped the list. But with only 41.8 percent of the vote, he did not muster the majority needed for direct election under the special rules. Although a former communist, Rüütel had been widely admired for his steady, balanced leadership during the independence struggle. Yet, his electoral shortfall was enough to throw the final decision into the Riigikogu, where the runner-up, with 29.5 percent, Isamaa candidate and former foreign minister Lennart Meri, had the advantage. At the parliament's opening session on October 5, Meri defeated Rüütel by a vote of fifty-nine to thirty-one.\textsuperscript{43}

In mid-October Mart Laar, the thirty-two-year-old chairman of Isamaa, was appointed prime minister by President Meri. The youngest person ever to hold that post, Laar promised immediately to expand Estonia's free-market reforms and defend Estonian national interests. During his first fourteen months in office, Laar cut tax rates and maintained control over expenditures. He also posted some foreign policy successes, such as Estonia's admission to the Council of Europe in May 1993. His cabinet, however, was plagued by inexperience. Four months into office, Laar's choice for economy minister resigned after accusations that he was not up to the job.\textsuperscript{44}

In January 1993, more moderate elements formed the Representative Assembly, an official movement dedicated to the defence of Russian interest within an independent Estonia. A hard-line faction meanwhile founded the more overtly nationalist Russian Assembly. The 'Law on Aliens' adopted by the Riigikogu on 8th June, gave civilians residing in Estonia on Soviet or Russian passports one year which to apply for new residence and work permits\textsuperscript{45}. The Law neglected to draw any distinction between an immigrant who had arrived in the country the previous day, and a former Soviet citizen who had been born in Estonia and lived there for more than twenty years. Its psychologically unsettling effect was heightened by the fact that only temporary five year permits were to be issued in the first instance.

\textsuperscript{44} Clemens Walter, \textit{Baltic Independence and Russian Empire}, (New York, St Martin Pres, 1991), p.73.
\textsuperscript{45} The Current Digest of the Post Soviet Press, op.cit, p.24.
In order to qualify for a permit, applicants were required to possess a ‘lawful source income’, a category only vaguely defined under the law. Such ambiguities caused obvious the increase of large numbers of unemployed non-citizens in the north-east. Council leaders in Narva and Siilamae where non-citizens were barred from and standing for reelection in the October 1993 local elections and now they used the law as a pretext for organizing a referendum on ‘national-territorial autonomy of the Republic of Estonia’. By early 1993, the coalition Government had made it clear that social stability, foreign investment and membership of the Council of Europe counted for more than the restoration of an Estonian nation-state.

In the line with recommendations made by Western organizations, the government pushed through amendments to citizenship legislation, fixing the linguistic requirement for naturalization at a level of corresponding to a basic working knowledge of the Estonian language. According to many exports, the low number of applications for naturalization during 1992-1993 could be explained at least partly by the lack of any firm guidelines regarding linguistic requirements. This had left scope for arbitrariness on the part of individual departments dealing with applications. A further amendment specified that henceforth citizenship would be passed automatically via the material as well as the paternal line.

These expressions of goodwill facilitated Estonia’s entry to the Council of Europe in May 1993, a full two years ahead of neighbouring Latvia and yet the acceptance of external constraints over nationalities policy was fast becoming a major bone of contention within domestic politics. Addressing to the nation on this historic occasion, President Meri felt obliged to reassure his countrymen that integration into Europe was not the same as ‘dissolving’ into Europe. Estonia’s return to Europe, he claimed, had aroused suspicion amongst Estonian intellectuals who claimed that the country would

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46 Ibid.
47 David Smith, op.cit, p.173.
49 Ibid.
lose its 'distinct identity', culture and language. Discontent over the
citizenship law amendments extended to the ranks of the ruling coalition,
where many ERSP and Isamaa deputies were deeply unhappy at measures
which stood to increase the number of ethnic Russians with citizenship.

In spite of these amendments, Estonia was still able to gain admittance
to the European 'club of democracies 'with its controversial citizenship
legislation more or less intact. Once the hurdle of Council of Europe (CE)
membership had been negotiated, more radical elements within the ruling
coalition clearly felt at liberty to pursue a more assertive line in nationalities
policy. When a new Law on Local Elections came before Parliament in May
1993, it contained a clause allowing non-citizens not only to vote but also to
stand for office. This provision was reputedly included by the Government in
line with assurances give to the CE prior to Estonia’s accession. To the acute
discomfort of the government, the Riigikogu voted to withdraw this position
form the final law.

The short comings of this legislation have been attributed to 'sloppy
drafting' yet, in fact, the ambiguity inherent in certain provisions appears to
have been entirely calculated. By leaving the wording of the law open to
differing interpretations, it was hoped to satisfy western organizations whilst
simultaneously leaving the way open to a more stringent interpretation of the
law by the local authorities charged with its implementation. In that case, for
more radical nationalists, the alien law was convinced as a means of
intensifying the pressure upon non-citizens to 'repatriate' themselves to
Russia. In the case of Soviet military pensioners and their families, this aim
was quite explicit, for the law started that residence permits would not be
made available to non-citizens who had served the armed forces of a foreign
state.

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52 Estonian Ministry of Foreign Affairs, (Online:Web), Accessed on 7-4-2006,
53 Ibid.
In an echo of the widely emotive rhetoric then emanating from Moscow, opposition deputies from the Centre Party claimed that policies towards aliens had taken the direction of 'ethnic cleansing' and 'decolonization' following Estonia's acceptance to the Council of Europe.\(^54\) Other leading figures, including some Social Democratic MPs made a more measured yet nevertheless highly critical attack on the law in an open letter published at the end of June. Reservations were also expressed regarding the new Law on Education. The political scene developed by the aliens law proved highly embarrassing at a time when Estonia was still under close international scrutiny over the Law on local Elections.\(^55\)

The Local Election of October 1993 presented a significant setback to Isamaa, which obtained only five of the sixty four seats on Tallinn city council. On this occasion, non-citizens made the most of their opportunity to vote, something which can't be said for the ethnically Estonian electorate. Nationwide, the overall victory was the Coalition Party, which swept to power in the capital on a platform of continued economic reform cushioned by greater social guarantees. Tiit Vahi, elected party chairman six months earlier, returned to public office as the head of Tallinn city council.\(^56\)

In the light of the above facts, the political landscape in Estonia, with regard to parties, faces three general problems: the large number of parties, the small number of people participating in politics, and the general distrust of parties. According to the available data, by the end of 1993, there were twenty-two parties with a total combined membership of fewer than 5,000. The opposition, the one vital element of a parliamentary democracy, is slowly taking shape, providing a critique of and alternative policies to those of the government. Currently, there are two main opposition parties: Koonderakond (Coalition Party) and Keskerakond (Center Party), led by Tiit Vahi and Edgar Savisaar, respectively, both of whom are former prime ministers from the interim period. Both of these parties are moving from mere ideological friendship clubs to parties with a certain social base and membership. To

\(^54\) Summary of World Broadcast, op. cit., p. E2.
\(^55\) Ibid.
\(^56\) The Current Digest of the Post Soviet Press, op. cit., p. 23.
many, they seem to present a clear alternative to the current government, which they already easily surpass in the opinion polls.  

The problems with parties and political participation stem from one common root: the fact that a democratic multiparty political system cannot be established overnight. First, the society itself has to become differentiated. People have to realize that there is no one single truth to which all people could adhere and that there are particular ideas that are worth defending. Above all, people have to realize and accept that being politically active on the grass-roots level is not a "bad thing." Only now, in the third year of independent statehood, is the diversification of the political landscape, based on different interests rather than on ideas, slowly taking place. It expresses itself through the creation of various interest groups, primarily economic ones, by those who have had the most difficult time during the transition process.

Only with the local elections in the fall of 1993, one can see the development of clearly differentiated politics and the emergence of various interest groups. For example, since no political force was ready to represent the demands of retirees ("pensioners"), they formed their own electoral lists and did well, receiving approximately 20 percent of the vote. Similarly, in most places the lists of candidates who distanced themselves from politics and directed their interest to the well-being of their particular county achieved good results.

To shore up the Isamaa-led coalition, in January 1994 four key portfolios in the Council of Ministers (defense, economy, finance, and foreign affairs) were reshuffled. However, the coalition disintegrated in June 1994 after a series of embarrassments, most notably the allegation that the prime minister had been involved in the secret transfer of a large sum of Russian rubles to the breakaway Russian republic of Chechnya in 1992. In September 1994, Laar lost a vote of no confidence in the Riigikogu. After President Meri's nomination of Bank of Estonia President Siim Kallas to succeed Laar

59 Ibid.
was rejected, the Riigikogu confirmed Andres Tarand, the outgoing minister of environment, as prime minister in October. Tarand was to serve as a caretaker until the general elections in March 1995.\textsuperscript{60}

Estonian Parliamentary election of 1995 was held on fifth March in under which a new Government was formed. The Coalition Party and Rural Union (KMU) won 32.2 percept votes, where the previous parties which formed the coalition government i.e. Fatherland and the National Independence Party received only 7.9 percent vote and other parties i.e. The Reform Party gained 16.2 percent, Centre Party 14.2 percent Right Wing party 5 percent, moderates 6 percent. Our home is Estonia, which represented the Russian speaking electorate received 5.9 percent votes and independent candidates gained 12.6 percent votes.\textsuperscript{61} The success of KMU was its landslide in the rural areas, although it was one of the leading parties in the urban constituencies as well, while Fatherlands stressed the liberal nature of their economic policy, KMU and other opposition party of the fatherland, i.e., Centre Party relied on the social market economy slogan. The Coalition Party considered it necessary to stress the role of German economic policy (social market economy) as a mode.\textsuperscript{62}

In early January 1995, seven electoral alliances and eight parties were registered to participate in the general election scheduled for 5 March. The result of the election reflected widespread popular dissatisfaction with the parties of the governing coalition. The largest number of seats in the Riigikogu (41) of the total of (101) was won by an alliances of the Centrist Estonian Coalition Party (ECP, led by the former Prime Minister, tit Vahi) and the Rural Union (compressing various agrarian parties, most prominently Arnold Ruutel’s Estonian Country People’s Party). A coalition of the newly established Estonian Reform Party (ENIP, led by Siim Kallas, the President of the Bank of Estonia) and liberal groups obtained 19 seats, followed by Edger Savisaar’s Estonian Center Party (16). The NEP (in


\textsuperscript{61} Walter R. Iwaskiw, op.cit, p.69.

coalition with the ENIP), won only eight seats, while the Moderates alliances (which included Andress Tarand) gained six seats. The Estonia is Our Home part (which united three new parties representing the Russian-speaking minority) also won six seats; this development was broadly welcomed as a potentially stabilizing factor in both the domestic and foreign affairs of the country. The remaining five seats were taken by a coalition of Right Wing Parties. The electoral turnout was almost 70 percent.63

In late March 1995, Tiit Vahi was nominated by President Meri to form new council of Ministers. Vahi was conformed Prime Minister by the Legislature in early April, and the Government—a coalition of the ECP/Rural Union and the Estonian Central Party was appointed later in the month. Vahi stated that his Government’s main priorities were to further the reforms undertaken by the preceding administration, to seek full membership of the EU and to improve relations with the Russian Federation.

The Government survived only until early October 1995, when it was revealed that Edgar Savisaar, the Minister of the Interior, had made secret tape and video recordings of conversations that he had held with other politicians, following the Riigikogu election in March concerning the formation of a new coalition government. In the ensuing scandal, Savisaar was dismissed from his post by Vahi; however, the Estonian Centre Party (of which Savisaar was the leader) refused to accept his dismissal. As a result of the effective collapse of the coalition, Vahi and the remaining members the Council of Ministers tendered their resignations.64

In Estonia, shortly after the resignation of the government in October 1995, President Meri decided against holding early elections and asked outgoing Prime Minister Vähi to form a new government. Upon negotiating a coalition agreement with Siim Kallas, chairman of the Estonian Reform Party, Vähi was confirmed as prime minister, and Kallas became the foreign

63 David Smith, op.cit, p.83.
64 The Current Digest of the Post Soviet Press, op. cit., Vol. XLV No. 25, p. 11.
minister. Vähi pledged to continue the previous policies of economic reform and integration into European structures.⁶⁵

So far as economy is concerned, Estonia became the first formerly Soviet country to create its own currency, the ‘Kroon’ in 1992. On January first, the free trade agreement between Estonia and the European Union came into force. Today more than 65 percent of Estonian foreign trade is connected with member states of the European Union. The share of the main imports with European Union member states is even bigger-over 75.1. Estonia has signed free trade agreements with several other countries, e.g. Norway Latvia, Lithuania. Foreign trade grew, although in 1993 the trade balance began to show deficits. Under a program of privatization, 80 percent of the country’s state-owned small businesses were sold off, and three rounds of large-scale privatization with foreign participation resulted in the acquisition of thirty major enterprises.⁶⁶

Although the initial success of the kroon was gratifying, many fiscal challenges remained that threatened to upset monetary policy in the future. Among these was a high enterprise tax debt to the state. In December 1992, this debt, mostly unpaid revenue taxes from large state firms, amounted to about EKR565 million. A year later, this sum had fallen to roughly EKR400 million, but the possibility that the state might need to use its own funds to bail out these ailing firms remained. Another danger to monetary stability was posed by the possible collapse of several private banks in Estonia. In November 1992, the Bank of Estonia ordered the shutdown of three private banks because of insolvency. One of these was the Tartu Commercial Bank, which in 1988 had become the first private bank to be founded in the Soviet Union. Bad loans, increased competition, and poor management were expected to force other bank closures with which the state would have to deal.⁶⁷

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⁶⁵ Walter R. Iwaskiw, op.cit, p.54.
⁶⁶ FBIS-USR-93-066 (May 1993), p.82.
Following the enactment of reform laws during 1989-90, the state budget in Estonia was broken into three parts: the central government budget, local government budgets, and nine extrabudgetary funds. In 1993 (the first year for which figures are provided entirely in kroons), the central state budget ran a surplus of EKR216 million on total revenues of roughly EKR4.2 billion (US$323 million). This surplus, however, was immediately spent in a secondary budget drawn up in October. The central budget included the financing of government operations (ministries, schools, police, cultural subsidies, and so forth) as well as roughly EKR500 million in aid to cities and towns. About half of the revenue for the central budget came from an 18 percent value-added tax on most goods and services. Another 35 percent came from personal income and business taxes. Social welfare taxes on employer payrolls went directly into the state's extrabudgetary social welfare and health insurance funds, which amounted to slightly more than EKR2 billion.

In all, general government taxes (including local taxes) in 1991 amounted to about 47.7 percent of GDP. Although successive governments pledged to reduce the overall tax burden, the transition was slow. In 1994 the previous three-tiered progressive tax scale was replaced with an across-the-board income tax rate of 26 percent. Estonia's central budget in 1995 was expected to total EKR8.8 billion, exceeding the 1994 budget and its supplements by EKR2.3 billion, mainly because of additional expenditures on social welfare, the civil service, the police, and the border guard. It was to be a balanced budget, nonetheless, for the second consecutive year. Various forms of taxation, including the income tax, an 18 percent VAT, and a corporate tax were to provide most of the revenue.

In 1993 increases in the consumer price index averaged about 3.0 percent per month; in 1994 they averaged 3.5 percent per month. The average monthly wage settled around EKR500 in August 1992. Thereafter, it began a steady climb, reaching roughly EKR1,200 by the end of 1993. Yet, according to Arvo Kuddo, an official of the Bank of Estonia, real wages in mid-1993

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68 The Europa Worlds Year Book, op. cit., p. 1217.
still amounted to only 95 percent of their June 1992 levels and barely 50 percent of their levels from early 1991. In the meantime, wage differentials between the highest- and lowest-paying jobs grew markedly, from 3.4 times to ten times.

According to the Estonian State Statistics Board, in mid-1993 the top 10 percent of wage earners received 32.9 percent of all income, while the bottom 10 percent received only 2.1 percent. Residents of Tallinn had the highest average monthly wage, some 20 percent above the national average. Personal savings also declined during this period. In December 1992, 41 percent of survey respondents said they had no significant savings at all. In 1993 some 17 percent said they were behind in paying their utility bills for lack of money.  

During the second half of 1993, unemployment had in fact steadily declined from a high of 22,699 in May. In addition, the number of people on unpaid or partially paid leave declined during the first half of the year. By contrast, however, more people were reported working part-time, most often with their full-time workweek having been reduced to three or four days. These people were not included in the official figure. The highest official unemployment rates in December 1993 were in the towns of the southeast (Võru, 5.3 percent; Põlva, 4.8 percent) and the northeast (Narva, 4.4 percent). Tallinn posted the lowest unemployment rate (0.2 percent), with just 594 registered jobless people. In 1994 official unemployment peaked at 2.3 percent in April, and then fell steadily to a rate of 1.4 percent in November, the lowest rate among the Baltic States.

In 1993 Estonia ran a trade deficit estimated at US$135 million. The trade balance deteriorated partly because of the strength of the kroon and partly because of a growing need for automobiles, agricultural products, and other essential goods. There was a 131 percent increase in imports from 1992 to 1993, compared with a 91.8 percent increase in exports. This imbalance was offset by a strong increase in services, leaving the country's current

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71 Summary of World Broadcast, op. cit., SU/1922 (February 1994), p.5
account in the black at EKR493 million. The trade deficit, however, continued to swell, reaching an estimated US$389 million in 1994\(^\text{72}\).

From the beginning, foreign capital was heavily concentrated in Tallinn. About 75 percent of the first joint ventures were established in the capital; in March 1993, it was reported that 87 percent of all foreign capital invested in Estonia was located in Tallinn and the surrounding area. Although the government hoped that lower property taxes and lower wages might eventually entice more foreign capital to southern Estonia, most investors continued to be drawn to Tallinn for its higher-quality communications, better-trained personnel, and broader transportation opportunities. During 1992-93 Estonia received a total of about US$125 million in humanitarian aid, including emergency shipments of fuel, grain, and medical supplies\(^\text{73}\).

In August 1992, Estonia signed its first memorandum with the IMF to secure a US$32 million loan from the IMF and US$30 million from the World Bank (see Glossary). The memorandum obligated the Estonian government to balance its budget, to limit wage increases, to privatize state enterprises, and to maintain a strict monetary policy. Fourteen months later, the IMF released the first US$16 million of its loan to Estonia, after it was satisfied that the government has maintained its economic reforms\(^\text{74}\).

In 1993, as enterprises began slowly buying raw materials on the world market, production in some areas began to increase. Although overall output was still down in 1993, it increased by an estimated 7 percent in 1994. Estonia's best hope lay with its lighter industries: food processing, textiles, furniture, paper, and glass. Many of these relied on domestic raw materials and hence were able to continue producing during the transition. Estonia's metallurgical and chemical industries showed the greatest decline, and their future was in doubt without new technology and markets.

\(^{72}\) Ibid.

\(^{73}\) Foreign Broadcast Information Service, FBIS-USR-94-016, p.82.

As of the first half of 1993, a total of 8,781 farms had been created, covering approximately 225,000 hectares, or a quarter of Estonia's arable land. In May 1993, the Estonian parliament passed a law on property taxes, which had been a major concern for many farmers before getting into business. The law mandated a 0.5 percent tax on property values to be paid to the state and a 0.3 to 0.7 percent share to be paid to local governments. More than property taxes, the costs of commodities such as fuel and new equipment were considered most likely to prove burdensome to many new farmers.

With the introduction of private agriculture, many collective farms began to disintegrate. Corruption and "spontaneous privatization" of farm equipment by farm directors grew. A number of Estonia's more successful farms were reorganized into cooperatives. Over the long term, the government predicted that 40,000 to 60,000 private farms averaging fifty hectares would be optimal. At the same time, Estonians were likely to maintain a very high rate of consumption of home-grown fruits and vegetables. A 1993 survey by the Estonian State Statistics Board indicated that nearly 80 percent of all potatoes consumed by Estonians either were privately grown or were received from friends or relatives. Thirty percent of eggs were received outside the market as well as 71.5 percent of all juice. Overall, Estonians reported getting over 20 percent of their food from private production or from friends or relatives.

Estonia's greatest foreign policy success came in May 1993 with its admission to the Council of Europe. After applying in September 1991, Estonia had to hold its first free parliamentary elections in 1992 before being seriously considered for membership. Although Estonia's citizenship policy came under close scrutiny by council delegations, in the end they accepted Estonia's legal arguments for denying automatic citizenship to Soviet-era immigrants, taking encouragement from the non-citizens' right to participate in local elections. Estonia considered admission the equivalent of a clean bill.

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75 Ibid.
of health for its young democracy, which Russia had sought to tarnish with accusations of human rights violations\(^77\).

In the mid-1990s, Estonia's staunchest foreign allies were the Scandinavian countries, particularly Denmark and Sweden. In 1990 the three Baltic states established regular contacts with the Nordic Council, the main political organization uniting the five Scandinavian states. Denmark's Prime Minister, Poul Schlüter, became in 1991 the first Western head of government to visit Estonia. The Swedish Prime Minister, Carl Bildt, became an outspoken defender of Estonia after Russian threats to impose economic sanctions on Tallinn heightened tensions in 1993\(^78\).

In some respects, the development of Scandinavian ties appeared to be a higher priority for Estonia than the fostering of greater Baltic cooperation, begun during the three republics' common struggle for independence. Baltic leaders held regular summit meetings beginning in 1990 and issued numerous joint declarations concerning their relations with Russia. An interparliamentary Baltic Council was established in 1990 to promote further cooperation at semiannual meetings. In mid-1993 Baltic military commanders even met to discuss plans for a joint infantry battalion that would be offered for peacekeeping missions around the world. Yet, progress on a free-trade agreement among the three countries was slow, and this situation was not helped in 1992 when Estonia elected a center-right government while Lithuania voted back in Algirdas Brazauskas and the former communists. Ultimately, a free-trade agreement was signed in April 1994\(^79\).

Estonia's ties with Boris N. Yeltsin had weakened since the Russian leader's show of solidarity with the Baltic States in January 1991. Issues surrounding Russian troop withdrawals from the Baltic republics and Estonia's denial of automatic citizenship to non-citizens ranked high on the list of points of contention. Immediately after independence, Estonia began pressing the Soviet Union, and later Russia, for a speedy withdrawal of Soviet

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\(^77\) Walter R. Iwaskiw, op.cit, p.43.
troops from its territory. Estonia insisted that the process be completed by the end of the year. The Soviet government, citing a lack of available housing for its troops, said not before 1994. In January 1992, some 25,000 troops were reported left in Estonia, the smallest contingent in the Baltic states. Still, more than 80,000 hectares of land, including an inland artillery range, remained in the Russian military's hands. More than 150 battle tanks, 300 armored vehicles, and 163 battle aircraft also remained. The last troops did not leave until August 1994.\textsuperscript{80}

In the fall of 1991, as Estonia laid down its new citizenship policy, the Soviet Union called the move a violation of human rights. Under the citizenship policy, most of the country's large ethnic Russian minority was declared non-citizens. The Soviet government linked the further withdrawal of troops from Estonia to a satisfactory change in Estonia's citizenship stance. In response, Estonia denied the human rights charges and invited more than a dozen international fact-finding groups to visit the country for verification. As the propaganda war and negotiations dragged on, Estonia and the other two Baltic countries gained international support for their position on troop withdrawal at a July 1992 summit of the CSCE in Helsinki. Resolutions also were passed in the United States Senate in 1992 and 1993 linking the issue of troop withdrawals to continued United States aid to Russia.\textsuperscript{81}

Yet, Estonian and Russian negotiators remained deadlocked throughout 1993. At several points, President Yeltsin and other Russian officials called an official halt to the pullout, but the unofficial withdrawal of forces continued. By the end of 1992, about 16,000 troops remained. A year later that number was down to fewer than 3,500 and more than half of the army outposts had been turned over to Estonian defense officials. The Estonian and Russian sides continued to disagree. primarily over the pace of Russia's withdrawal from the town of Paldiski. on the northern coast some thirty-five kilometers west of Tallinn. The Soviet navy had built a submarine base there that included two nuclear submarine training reactors. Russian officials maintained that dismantling the reactor facility would take time:

\textsuperscript{80} Ibid.
Estonia demanded faster action along with international supervision of the process. The last Russian warship, carrying ten T-72 tanks, departed in August 1994. However, Russia was to retain control of the reactor facility in Paldiski until September 1995\textsuperscript{82}.

Territorial issues also clouded Estonian-Russian relations. Estonia continued to stick by its demand for the return of more than 2,000 square kilometers of territory annexed to Russia by Stalin in 1945. The annexed land was within the borders Estonia and Russia had originally agreed to as part of the 1920 Tartu Peace Treaty. However, the Yeltsin government disavowed any responsibility for acts committed by the Soviet regime.

Although the ultimate goal of ensuring protection against an outside attack appeared remote, Estonia was hard at work building up a defense force in the mid-1990s, with plenty of outside help. The most dramatic step the country took was the appointment in May 1993 of Aleksander Einseln, a retired United States Army colonel and émigré Estonian, to command Estonia's fledgling armed forces. The decision drew strong objections from the United States Department of State, which feared upsetting Russia by allowing former United States military personnel to serve in high posts in the former Soviet Union. The United States threatened to revoke Einseln's military pension and even his citizenship. Support for the new Estonian general from several United States senators, however, helped ease the controversy\textsuperscript{83}.

The beginning of the economic and political transformation process in Estonia coincided with Gorbachev’s perestroika and glasnost. Whereas the Communist Party of Estonia and the government resisted the reform tendencies from the Moscow center, local leaders used perestroika and glasnost to mobilize the population on a range of issues, including Russification, industrial pollution, the constant influx of Russian workers, and economic degradation. Overall, although economic and democratic

\textsuperscript{82} Ibid.
\textsuperscript{83} The Current Digest of the Post Soviet Press, op cit., p. 367.
considerations did play a role, the transformation actually started as a movement for Estonian state and nation building.\textsuperscript{84}

The democratic transformation was characterized by an ideology known as legal restoration, which declared the independence process not the beginning of a new era of statehood, but rather as a restoration of the same statehood and legal continuity of the previous pre-1940 Republic. Since this included a return to the well-functioning pre-war parliamentary system (prior to a shift to authoritarianism in 1934), the country benefited from having a set of institutions and procedures with a high degree of legitimacy and consolidation quickly in place. At the same time, as a consequence of this restorationist approach, all post-1940 immigrants (mostly Russophone) were excluded from citizenship and democratic participation unless they were naturalized.\textsuperscript{85}

Democratic transformation Estonia has created an institutional arrangement that meets the highest standards of rule of law, democratic control, and political representation – at least for its citizens, and not for the substantial category of non-citizens. Despite frequent changes of government and delays in the consolidation of a party landscape the functioning of the political system has at no point been endangered. Democratic institutions in Estonia, including the administrative apparatus and the system of justice, perform together effectively and efficiently. The fact that over the past five years the Estonian state completed the gargantuan legislative and political task of adopting and implementing the necessary legislation for the EU-acquis is prime proof of its performing capabilities.

Major controversies over the procedures of political decision-making are rare, which can be seen as indicative of the acceptance and consolidation of the system. Nevertheless, the volatility and instability of the political party landscape accounts for some friction between executive and legislative institutions. No substantial (potential) veto actors exist and all relevant actors

\textsuperscript{85} \textit{Europa World Year Book.}, op cit., p. 1322.
accept the democratic institutions. This last sentence is a bit cryptic. Even controversies on the issue of non-citizens' rights do not pertain to the legitimacy of the institutions as such, as this controversy has become integrated into the political process. Despite the frequent changes of government, party-political blockades in the legislative process are rare.

Despite significant fragmentation and fluctuation in the political-party landscape over the past decade, with 8-18 parties competing for the voters' favor, the 5 %-hurdle has in all four parliamentary elections (1992, 1995, 1999 and 2003) resulted in 6-9 parties sharing the 101 seats in the Riigikogu. Typically, the Centre Party, the ProPatria Union, and the Reform Party together accounted for 38 %, 55 %, and 40 % of the votes in the last three elections respectively. A second tier of parties has been constituted by the mostly agrarian People’s Union and the social democratic Moderates (each averaging around 8-12 % of the vote). Party membership is relatively high in Estonia, totally some 5 % of eligible voters, and an excessive polarization of the party system has been avoided: No left or right wing extremist parties play a noticeable role in Estonian politics.

One of the consequences is an increased volatility of voters from one election to the next if a coalition fails to satisfy the expectations of its constituency. Estonia has quickly developed a vibrant civil society and a dense network of cooperative associations and interest groups between society and politics. Although many of these organizations still rely on foreign assistance and guidance, sustainability is growing both in terms of human and financial resources and in terms of domestic grassroots. In the past ten years the original mass movements have disintegrated or dwindled away to be replaced by many smaller nonprofit organizations. Typically, the managerial skill and resources for civil-society development are largely concentrated in the political center of Tallinn. Popular participation in voluntary organizations

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is limited partly because of the legacy of the Soviet period with its obligatory civil-society organizations.\textsuperscript{87}

The Estonian state explicitly and practically stimulates the growth of civil society organizations and networks by providing a beneficial legal and fiscal framework as well as by enhancing cooperation between state institutions and NGOs, without bias towards organizations of a certain political leaning or undue political interference in NGO activity. Although political apathy is recently increasing in the election process, basic trust in a number of democratic and public institutions remains relatively high. Similarly, institutional stability has remained on the same high level, but political and social integration have improved somewhat, even though the integration process in the country with one-third ethnic minorities is still largely seen as a unilateral process of adaptation.\textsuperscript{88}

In the early phase of transition, political elites strongly targeted political-historical motives for transformation mobilization, in nation and state building as well as in market-economy and democratic reform. References to interwar Estonia in reverse got in the way of a possible integrationist strategy for the Russophone population based on shared objectives. In addition to historical symbols of democratic and economic practice, European integration became a major shared value “instrumentalized” in the early phase. Meanwhile, the references to ethnic and historical symbols have faded away in policy debates and the European symbol has also lost part of its unifying power in the year before actual EU accession.\textsuperscript{89}

Estonia's accession to the European Union is fostered by historical ties and common values, and is based on political as well as economic principles. The objective of the accession negotiations was to achieve the most favourable conditions for Estonia's further progress. For Estonia's citizens, joining the EU means greater opportunities for working, studying and moving

\textsuperscript{87} Aire Trummal and Mikko Lagerspetz, \textit{The Profile of Estonian Civil Society}, (Civicus Index On Civil Society Occasional Paper series, July, 2001,) Vol.1, No.6, p.9.
\textsuperscript{88} Ibid.
\textsuperscript{89} Petti J. and Juris Prikulis, op. cit., p35.
about within the borders of the EU, as well as a more secure and well-developed social environment, and greater personal well-being.

In December 1993, the European Union adopted the so-called Copenhagen criteria for the accession of candidate countries: the stability of institutions guaranteeing democracy, the rule of law, human rights and respect for and protection of minorities; the existence of a functioning market economy as well as the capacity to cope with competitive pressures and market forces within the Union; the ability to take on the obligations of membership by adopting the common rules, standards and policies that make up the body of EU law. On 28 November 1995 Estonia submitted its application for EU membership, based upon the unanimous decision of the Riigikogu approving the Europe Agreement between Estonia and the EU member states from August 1995. At the 1995 Madrid summit the EU member states gave the EU Commission the task to compile reports on the candidate countries.

Unlike other East European countries, Estonia abolished all tariff and non-tariff barriers to trade. It also opened the door fully to foreign direct investment, not least by ensuring that foreign and domestic investors were treated equally under national law. Such thoroughgoing reforms have delivered impressive results. The economy has grown vigorously since 1995, inflation is under control, and the budget is in balance. Most striking is Estonia's speedy integration into the world economy; Western Europe accounts for two-thirds of its trade, compared to less than one per cent in 1990 and also important from a political economy angle are crucial institutional and political factors.

Within the central government departments – the Bank of Estonia, the Ministry of Finance and the Ministry of Foreign Affairs – technocrats enjoying wide autonomy pushed through core reforms. Successive governments since independence have supported policies initiated and implemented by technocrats within government.

Furthermore, the speed and depth of policy reform, particularly under the government led by Mart Laar between 1992 and 1995, effectively neutralised interest group opposition, including lobbying for agricultural protection. Consequently, by the mid 1990s, and despite changes of government, a firm pro-reform political consensus had been established. A small, cohesive group of young politicians, technocrats and entrepreneurs, untainted by the Communist past and acting out of a mixture of pragmatic and ideological considerations, have spearheaded Estonian transition. Early on, a "home-grown" neoliberal ideological consensus coalesced around the set of policies to transform Estonia from Plan to Market, which correspondingly lessened the reliance on policy advice from the international financial institutions\(^{91}\).

Ingredients of policy reform in Estonia's Baltic neighbours - Latvia and Lithuania - and even in the "headline" reforming countries in Central Europe have differed in important respects from the Estonian experience. Elsewhere in Eastern Europe, compared to Estonia, technocratic autonomy has been cramped by greater political interference, politics itself has been more conflictual, interest group rent-seeking activity has been more rampant, particularly in agriculture, and a less solid home-brewed ideological consensus on reform has led to greater reliance on policy advice and assistance from abroad, especially from the International Monetary Fund. For all these reasons, Estonia has outpaced its neighbours in policy reform, especially in its commitment to free trade\(^ {92}\).

The key trade and foreign investment reforms were undertaken unilaterally, i.e. not through international negotiations. However, virtually from the outset, the Ministry of Foreign Affairs signed bilateral free trade agreements with Estonia's major trading partners. There were two purposes in mind: to secure export market access, and to insure against a reversal of the domestic policy of unilateral free trade. Since 1994-95, the multilateral track has assumed greater importance in trade policy with Estonia's negotiations to


\(^{92}\) Ibid.
accede to the World Trade Organisation. It finally became a WTO member in November 1999. The WTO provides Estonia with legally binding rights of access to other members' markets, and it constitutes a long-run lock-in mechanism for its national policy of maintaining open markets.93

After 1991, Estonia worked to maintain the relationship and integrate with European political institutions as a further safeguard against political threaten from Russia. The last Russian troops, stationed in Estonia in 1991 finally were withdrawn in August 1994, but relations with Yeltsin's Kremlin remained cool.

Since the restoration of Estonian independence in 1991, the republic's relations with its eastern neighbour, the Russian Federation, have been strained by a number of issues most notably the presence of former Soviet troops (under Russian jurisdiction) and the rights of the large Russian minority in Estonia. Under the civilizations law of 1992 (a modified version of that adopted in 1938), non ethnic Estonians, who settled in the republic after its annexation by the USSR in 1940 were obliged to apply for naturalization (as were their descendants).

Many of the requirements for naturalization - including two years residency in Estonia as well as an examination in the Estonian languages - were criticized by the Russian Government as being excessively stringent and discriminatory against the Russian-speaking minority. A new citizenship law adopted in January 1995 extended the residency requirement to five years. Non-citizen were given until 12 July 1995 to apply for residence and work permits, by which time almost 330, people (more than 80% of the total) had submitted application.94

In November 1993, a resolution by the UN General Assembly demanded a complete withdrawal of the ex-Soviet troops, and the final deadline for the withdrawal negotiations continue in 1994 on the terms of the withdrawal of the troops but were complicated by Russian demands.

93 Ibid.
12,000 retired Russian military serviceman (and them pendants) living in Estonia be granted unqualified citizen rights and social guarantees. In July talks were held between President Meri and President Yeltsin of the Russian Federation at which Lennart Meri pledged that civil and social would be guaranteed to all Russian military pensioners were ratified by the Russian and Estonian legislatures in 1995, despite opposition from Estonian politicians who argued that, as Russia and been a occupying force, its servicemen should not be allowed to rests in Estonia95.

In 1994, Estonian Prime Minister Mart Laar has characterized as naïve nationalism President Lennart Meris statement to the State Assembly in which he expressed fears that the state lacks a sufficiently clear picture of how Russian state capital is penetrating Estonia under the cover provided by front companies and front men. Speaking at a press conference after a meeting of the government on January 11, the Prime Minister gave assurances that the government is aware of the danger of Russian capital expansion and is taking measures and monitoring the situation.

However, while monitoring the operations of large monopolies from the neighbouring country in Estonia’s economy, the government does not intend to interfere in specific transactions. In response to a question regarding possible restrictions on Russian capital in Estonia, Mr. Laar said that there is no need for them. Estonia would be acting rashly if it took the course of blocking incoming capital and investment and rejecting the establishment of joint firms with businessmen from any country in East or West96.

As for Russia, it is currently Estonia’s second largest trading partner, ranking only after Finland in terms of imports and exports, according to the Estonian Ministry of finance. Total trade in the third quarter of 1993 was roughly one billion krooni. Russia accounts for close to 20 percent of Estonia’s exports and about 19 percent of its imports. Estonia maintains a positive trade balance with Russia, albeit a small one. While Russia tries, without much success, to persuade its partners in the CIS to agree to the

95 Ibid, No. 4, pp. 24-25.
96Foreign Broadcast Information Service, FBIS-USR-94-013, 1994, p.82.
introduction of dual citizenship, a number of its Baltic neighbours are happily resolving this problem without informing either the Russian Ministry of Foreign Affairs or local authorities\textsuperscript{97}.

In 1994, many sections of the border with Estonia are open and unmonitored, and this has enabled Estonia, which has no copper or molybdenum mines, to rise to fifth place in the world in exports of nonferrous metals. In 1993 alone, 1.5 million rubles' worth of freight was confiscated during attempts to transport it illegally into Estonia. Talks on demarcation have as yet produced no results, because of Tallinn's reluctance to deal with this matter. Under these conditions, Izvestia was told at the Ministry of Foreign Affairs, Russia will be forced to unilaterally establish border posts so that it can protect its borders\textsuperscript{98}.

In 1994, there was establishment of first Soviet Bordering Estonia. Tallinn Accuses Moscow of 'Unilateral Demarcation.” Yeltsin decree, made public on Tuesday, on physically marking the state border between the Russian Federation and Estonia drew a sharply negative reaction from our neighbours. The Estonian Ministry of Foreign Affairs expressed regret over this unilateral decision by Moscow” and stated that it was at variance with the UN Charter had the principles of the Conference on Security and Cooperation in Europe. Tallinn continues to insist that “a line whose location is not the subject of a treaty with the other state cannot be considered a border.”\textsuperscript{99}

Estonia has developed active bilateral defence co-operation with almost all NATO member countries and partner countries. Defence co-operation with major NATO member states such as the US, Great Britain, Germany and France has been and is of great importance. The closest co-operation has taken place between Estonia and its northern neighbours Denmark, Finland, and Norway, and its southern neighbours Latvia and Lithuania. The common political goal – NATO accession – has led Estonia, Latvia and Lithuania to

\textsuperscript{97}Foreign Broadcast Information Service, FBIS-Sov-95-007, 1995, p.69.
\textsuperscript{99}F. Stephen Larrabee, "The Baltic States and NATO Membership”, (Testimony presented to the United States Senate, Committee on Foreign Relations on April 3, 2003), p.32.
create several successful trilateral defence projects in the framework of the NATO PfP initiative. Since all the Baltic States are full members of the alliance, the security environment of the Baltic States has in many ways changed compared to the situation ten years ago. Thus, trilateral co-operation is also undergoing changes in line with new goals and challenges emanating from NATO membership.

Since 1995, when Estonia concluded the Europe Agreement, accession to the European Union has been one of the main goals for all Estonian governments and for the main political forces represented in the parliament. The accession agreement between Estonia and the European Union will fix mutual obligations and rights, as well as the scope of integration. Keeping in mind the widening of the range and the deepening of the scope of European integration the future membership of Estonia in the EU has global and fundamental significance for this country: the nature of Estonian statehood and the trends of its economic development are going to be established for the centuries ahead and serve as a conclusive step of Estonian political developments for the last millennium.

As the political motivations of the initiation of the EU-talks (EU as an additional security guarantee for Estonia against Russia) have withered away the economic dimension of the accession has become dominant. And actually there are no answers to the most basic questions in these areas. Very often information that has been distributed on the behalf of EU has been neither convincing nor accurate and the result has been the increasing euro-skepticism in Estonia.

Estonia's accession to membership in the European Union and NATO fulfilled the country's long-term security policy objectives. Currently, Estonia faces a situation where it has attained its security policy goals and has not yet set new security policy objectives. The Estonian Ministry of Foreign Affairs

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should already have addressed the issue of setting the country’s new foreign and security policy goals before acceding to Western security institutions. At the same time, the Estonian Ministry of Foreign Affairs has mistakenly believed that Estonia’s foreign and security policy would be formulated for it by the EU and NATO after Estonia’s accession to membership. In reality, each member state formulates its own policies; NATO and the EU may merely provide support in the formulation process.  

It is important for each member state to take the responsibility to participate in the formulation process of the organizations’ common policies. Estonia should, therefore, aim towards being a noticeable and active partner in both institutions. However, in order to participate actively and be able to make its voice heard, Estonia first has to set its new security and foreign policy priorities. The Western European Union also initiated establishing contact with Estonia and Estonia’s reaction to the Western European Union initiatives was very positive. Estonia’s co-operation with the Western European Union is an important vehicle in facilitating and accelerating its objective of becoming a member state of the European Union.

The National Security Concept of the Republic of Estonia is a set of principles and foundations drawn up by the Government of the Republic. It includes the evaluation of Estonia’s security situation as a starting point to determine the security policy goals and guidelines of the Republic of Estonia. For Estonia, the most significant development in the international environment is the process of Euro-Atlantic integration: the continued enlargement of the European Union and NATO. Estonia fully shares the basic democratic principles and goals upon which the EU and NATO were established and aims to become a full member of both the EU and NATO. From the time they were formed, these structures have guaranteed peace, stable social development and economic growth in the territory they cover. They are strengthening further in the enlargement process that sticks firmly to the principles, which have been declared. For Estonia, membership offers a

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realistic and historically unique opportunity to secure its democracy and sovereignty.104

Estonia's northern neighbours Finland and Sweden have joined the European Union, Norway as well as Poland belong to NATO, whereas Denmark and Germany are members of both. The Russian Federation has not supported NATO's enlargement. However, Russia has been made a part of Euro-Atlantic co-operation through various European Union and NATO programmes, including the Northern Dimension, Partnership for Peace, and the Northern European Initiative, the US's strategic action plan for the development of stability, democracy and co-operation in the Baltic Sea region.105

The basis of Estonia's security policy is the constitutional mandate to safeguard Estonia's existence as a democratic state, using all domestic and foreign policy instruments.

Estonia's national interests and security policy goals are:

- To maintain the territorial integrity and sovereignty of Estonia
- To safeguard the existence and progressive development of Estonia as a democratic state
- To promote national welfare and preserve the cultural heritage, to safeguard the preservation of the Estonian people, Estonian language and culture as well as Estonian identity through ages while promoting international co-operation in the globalizing world.106

Estonia's security policy is guided by the principle that security is indivisible and international co-operation is necessary, and is based on a belief in the collective defence of common values. The basis of Estonia's security is

its domestic stability, promotion of stability and security in the Baltic Sea region as well as in the Euro-Atlantic space as a whole. The primary international instruments for the implementation of Estonia’s security policy are mechanisms of co-operation: organizations and treaties, including treaties for collective defence, participation in international peacekeeping operations and arms control and confidence building measures.

Since the re-instatement of independence in 1991, and based on its security environment and national interests, Estonia has operated according to the following security policy priorities:

- Integration and co-operation with European and transatlantic security, political and economic structures (NATO, the European Union, the WEU) with the aim of contributing to international peace and stability;
- Development of a national defence system that safeguards Estonia’s independence and territorial integrity provides defence capacity compatible with NATO requirements and the capability to participate in joint defence and international peace support operations; educating the youth in the spirit of patriotism and high ideals, developing the defence will of the population.
- Continuation and further development of good-neighbourly relations and cooperation with all states in the European and transatlantic region, on the basis of common values and mutual interest;
- Strengthening the rule of law and a liberal market economy and promoting the internal integration process in Estonian society with a view toward accelerating Estonia’s development and supporting the long-term stability of the state;
- Strengthening internal security, including the fight against organized crime, drug trafficking and illegal migration;
- Promoting the physical and mental health as well as the social welfare of the population, including reforming the health care system; developing and ensuring the realization of state programs with the purpose of the increase of the Estonian population as a result of increase in birth and decrease of the death rate. In order to fully realise these security priorities, the state
must ensure that the instruments of domestic, foreign, defence and economic policy are implemented in a co-ordinated fashion.\textsuperscript{107}

Estonia’s primary and immediate duty in bolstering security is to develop a national defence system able to provide:

1. a military defence capability;
2. capacity to participate in the international security system and its co-operative efforts, including the future joint defence according to Estonia’s obligations and possibilities;
3. readiness to resolve international and domestic crises through relevant crisis management mechanisms.\textsuperscript{108}

In implementing its security policy, the Government of Estonia is guided by the Constitution, laws and other legal acts of the Republic (the Foreign Relations Act, the Peace-Time National Defence Act, the War-Time National Defence Act, the Utilisation of the Defence Forces in the Fulfilment of the International Obligations of the Estonian State Act, the Military Service Act and others) as well as international treaties, conventions and norms\textsuperscript{109}.

In building up its national defence, Estonia is guided by its security policy goals. The task of a national defence is to guarantee readiness to ward off possible military threats and to defend Estonia’s territorial integrity and sovereignty. For this purpose, Estonia has created and independent defence capability and conducts international cooperation. These measures must create sufficient deterrence and containment to avert aggression. Estonia supports and shares the goals of NATO’s Strategic Concept.

The basis of national defence, including the development of the defence forces, is interoperability with NATO and the forces of NATO member states as well as with the EU within the framework of the European Security and Defence Policy. Estonia’s direct obligation in the international

\textsuperscript{107} Jaroslaw Bauc, “Estonian way to Liberal Economic System”, \textit{Center for Social and Economic Research (CASE)}, (Warsaw, Poland, 1995), p.27.

\textsuperscript{108} Foreign Broadcast Information Service, FBIS-Sov-95-001, 1995, p.67.

\textsuperscript{109} Ibid, pp.68-69.
security system is to build up an autonomous national defence capability. As Estonia becomes integrated into Euro-Atlantic structures, its national defence will become a part of a collective defence organisation, as per relevant agreements.

Estonia’s defence policy is guided by its security policy. It seeks: to guarantee the capability of the state to combat security risks in today’s security system; to support the achievement of Estonia’s goals in the area of Euro-Atlantic integration; to ensure Estonia’s readiness to cooperate internationally in joint peace operations and future collective defence efforts; and to provide for participation in the national crisis resolution system. This is carried out by:

- the system of total defence embracing the whole society. This creates possibilities of credible deterrence of the would-be aggressor and thus averting and repelling aggression.
- general compulsory service in armed forces.
- principle of territorial defence.
- building up the defence forces capable of co-operation and maintaining it in a required standard of readiness, including preparing for a possible collective defence in co-operation with NATO or as a member of NATO and military activities in conducting peace operations.
- participation in international bilateral and multilateral defence co-operation.\(^\text{110}\)

To Conclude; Being a member of Western security institutions entails both advantages and disadvantages. Membership in the European Union and NATO is both a privilege and an obligation, requiring that Estonia be more knowledgeable and more comprehensive in its thinking. If Estonia wants to avoid marginalization, it has to be active and participate to the fullest in the formulation of EU and NATO policies.

It is in Estonia's interests that the EU and NATO preserve their significance and power in the future. Any claims regarding the irrelevance of NATO belittle the advantages that Estonia gains from NATO membership. Instabilities in transatlantic relationships should be overcome. The stronger that the EU and NATO are, the easier it will be for Estonia to achieve its national interests through these institutions. Therefore, Estonia's foreign and security policy should be aimed at supporting initiatives that make the EU and NATO frameworks stronger. This, in turn, means that Estonia should participate actively in both NATO and the EU, including in the framework of CFSP. In order to efficiently participate in the formulation of policies, Estonia must be better informed regarding world politics.\textsuperscript{111}

\textsuperscript{111} Ibid, p.5.