CHAPTER – V

CONCLUSION
The above mentioned study on the "Political Developments in Estonia, 1991-2004" highlights the historical background of the political developments that took place in Estonia, how it regained its independence, building of constitutional state structures, its domestic and foreign policy. The Soviet legacy had a varied influence on political developments in Estonia. A new stage of national, cultural and political awakening took place in Estonia. There had been extensive economic development, an increased standard of living for all lower groups of the society.

Estonia is the smallest state in the Baltic region. However political developments in this country have always attracted the world's attraction. Historically, it belonged to Scandinavian culture due to early colonial rule. After its annexation by Peter the Great, the old culture was suppressed as Tsarist policy of Russification was imposed. Their concept of freedom and independence could see a light of the day when Soviet President Gorbachev introduced Perestroika and Glasnost. Thereafter democratic freedom expression was introduced. The inner party rivalry within Soviet leadership provided a base for Estonian independence.

The political developments in Estonia have always been a culmination of the colonial legacy of the past many centuries. Like other Baltic States-Latvia and Lithuania, it also had to face colonial rule for many centuries. This is why time and again Estonians tried to attain independence but failed due to mighty foreign rule. Following Gorbachev's democratization of Soviet society, the voices of freedom very acute in Estonia. The political developments in Estonia could be analyzed properly within the framework of entire colonial history of this region.

Estonian independence and politics cannot be isolated from the similar developments in other parts of Baltic region. Therefore, political developments in Estonia took a similar course which prevailed in other Baltic States. Like other Baltic States, it also had impact on Soviet command system. The most effective rule in Estonia has been during Tsarist and Soviet period. However, Estonia always looked towards the west. This is the fundamental of current political developments in Estonia.
after independence. Before the advent of Gorbachev, Estonian concept of freedom during Soviet period had typical characteristics of getting support from the western world, but failed to materialize the same within its society due to Soviet command system. After passing a long duration of Soviet rule, it regained its independence and got international recognition, constituent assembly and democracy building.

After it regained its independence, it had built a strong record of achievements. In the midst of the August 1991 coup, Estonia's politicians had the foresight to convene a constitutional assembly and seize the moment for political restructuring. The process of constitution making was completed in a relatively orderly manner, and the new basic law was successfully implemented. Lasting political parties had yet to develop, however. Half a decade after open parliamentary politics began with the Supreme Soviet elections of 1990, the factions in parliament continued to fragment and regroup. Part of Estonia's problem may have been its small size. Because the circle of politicians was not very large in a country of only about 1.5 million people, there were relatively little turnover, and old rivals and allies were constantly pitted against each other.\(^1\)

The first era of independence had witnessed the same problem. Yet, Estonia's decision to stick to a parliamentary system of government in 1992 appeared to be a good one, even though it was the same system that had been the undoing of the country's first democracy in 1934. More safeguards had been built into the 1992 constitution against parliamentary domination of politics. Lennart Meri's tenure as Estonia's first postwar president appeared to mould the new office into a source of balance, despite grumblings from his Isamaa backers. A new court system was also put into place, with effective use being made of provisions for testing the constitutionality of laws.

Yet, politics did not reach the lives of all of Estonia's residents. Having been left out of the parliamentary elections in 1992 because of

citizenship requirements, Estonia's large Russophone population was virtually absent from national politics. Russians dominated in the city councils of the heavily Russian towns of Narva and Sillamäe, in the northeastern part of the country, but their political presence rarely extended beyond the city limits. Even a last-ditch local referendum on territorial autonomy for the northeastern region, declared in July 1993 in response to the Law on Aliens crisis, largely failed because of numerous reports of voting irregularities. Most of these Russian leaders—who had long histories as communist party functionaries, who had tacitly supported the August 1991 coup, and who had held on to their political turf since then—finally were ousted in the local elections of October 1993.

A new core of Russian leaders began to emerge in Tallinn, where two Russian-based parties did well at the polls and were poised to play an important role in the capital's city council. From that point, a responsive mainstream political society could begin to serve a Russian population that seems determined to remain in Estonia and willing to contribute to its future. The progress of Estonia's economic reforms in the early 1990s, if only in comparison with Russia, was clearly a source of confidence among both Estonians and Russians in the future of the country. Estonia was the first of the Baltic states to jump out of the ruble zone and create its own currency, a move that was soon rewarded by low inflation, rising wages, and an apparent bottoming out of the country's economic decline.

Estonia's new era of democratic politics began slowly in the 1990s with the adoption of a new constitution and the formation of stable political groupings. Several mechanisms in the constitution were beginning to function to ensure a balance of power and steady government. Citizenship issues, however, caused tensions among the country's 500,000-strong Russophone population, most of whom had been denied automatic
citizenship rights in 1991. Their naturalization and integration into Estonian society remained a significant challenge\(^2\).

The election in September 1992 of a new parliament, the Riigikogu, and the formal restoration of the Republic of Estonia marked the opening of a new political era. Not only was 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 Sõltumatuise 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 (Koondrarakond), 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 Estonian\(^3\).

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 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

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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.

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 (see Economy, this ch.). He also posted some foreign policy successes, such as Estonia's admission to the Council of Europe (see Glossary) 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.

In January 1993, the defense minister, an émigré Estonian, Hain Rebas, caused a scandal when he allowed some 250 Russian soldiers to enter Estonia just as the country was negotiating their withdrawal with President Yeltsin. In August a mutiny by a handful of Estonian soldiers in western Estonia prompted Rebas to resign altogether. In December 1993, President Meri was obliged to dismiss Minister of Interior Lagle Parek, a longtime dissident during Soviet rule, for several scandals involving her management of ministerial affairs.

In June 1993, Laar's government suffered its greatest turmoil when a major political crisis erupted over passage of a law meant to regulate the status of noncitizens (mostly Russians) in the country. Russian groups criticized the 1993 Law on Aliens as discriminatory, and for the first time some of Estonia's key Western allies, including the United States, the Scandinavian states, and the European Union, raised objections. The Law on Aliens as originally adopted would have required all noncitizens to

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reapply for residency permits within two years without any guarantee of acceptance. In July, after President Meri vetoed the law and requested a review of it from the Council of Europe and the Conference on Security and Cooperation in Europe, the Riigikogu agreed to amend the measure and guarantee most noncitizens new permits. The domestic crisis prompted President Meri to establish the Nationalities Roundtable for future discussion of minority affairs. The United States and Sweden immediately supported the roundtable with financial contributions to cover its operating costs. In the ensuing months, the roundtable met several times, but no major decisions were reached\textsuperscript{5}.

The results of Estonia's first post-Soviet local elections, held in October 1993, reflected public reaction to the government's series of setbacks and the continuing hardships caused by economic reform. In all the major cities, Isamaa did poorly. Former Prime Minister Tiit Vähi's Coalition Party was the big winner, especially in Tallinn, where it won eighteen of sixty-four seats. Russian parties also reemerged on the political scene, supported mostly by non-citizen voters, who, under a special constitutional provision, were allowed to vote. In Tallinn the moderate Russian Democratic Movement won eighteen seats.

Despite this midterm upset and a continuing decline in public opinion polls, the Laar government later easily survived a vote of no confidence in parliament. In December it succeeded in passing a tax cut as well as a budget for 1994. 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 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.

On 5 March 1995, Estonia held its parliamentary elections since achieving independence from the USSR. The center-left Coalition Party/Rural Union alliance won an impressive victory. The market-reform-oriented Estonian Reform Party-Liberals coalition stood second. The center-left Estonian Center Party finished third. The rightist Pro Patria/Estonian National Independence Party group (now known as the Fatherland Union), fell to only eight seats. A coalition representing the Russian-speaking population, Our Home Is Estonia, won six seats. The Moderates won six seats, and the Rightists won five. On 5 April 1995, the Parliament elected Coalition Party leader Tiit Vahi as prime minister of Estonia. He formed a government with the Center Party. After a wiretapping scandal, the Center Party was forced out in October 1995 and was replaced by the Reform Party.

Estonia's political situation at both the national and local levels remained largely stable between mid-1999 and late 2000. After three and a half years of fragile minority coalitions and left-right partnerships, the March 1999 parliamentary elections saw a center-right coalition form a majority government with greater prospects for stability. In contrast to the previous minority government of Prime Minister Mart Siiman's, which had faced increasing difficulties in carrying out his political programs, the new leadership of Prime Minister Mart Laar was able to use its majority in parliament to pass various legislative measures in 1999 and 2000. Among the government's initiatives were emergency spending cuts in August 1999 and radical tax code changes in December of that year, both of which were part of the coalition's broader economic liberalization program. The October 1999 municipal elections produced a victory for the three-party

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6 Ibid.
national ruling coalition in two thirds of the country’s municipal councils, including the capital, Tallinn.\(^8\)

In September 2001, a special assembly, comprising 101 parliamentarians and 266 local government delegates, elected the next president after the parliament failed in August to arrive at a decision. Arnold Rüütel was elected, defeating Toomas Savi by 186 to 155 votes in a run-off round. Rüütel was sworn in as president in October. In January 2002, Prime Minister Laar stepped down, and President Ruutel appointed Siim Kallas the new Prime Minister. The Reform Party and the Center Party formed a new coalition government in power as of January 28, 2002. In October 2002 there were regular local elections in Estonia and many new political leaders came to power on local level.\(^9\)

Mart Laar's coalition government collapsed in January 2002. The Isamaaliit party and the Rahvaerakond Möödukad (RM; People's Party Moderates) fell out with the third coalition member, the Estonian Reform Party, after it was disclosed that they had held secret talks with the opposition about local government alliances. Laar was replaced by the former finance minister, Siim Kallas. Siim Kallas, leader of the liberal Reform party, became the next prime minister. These movements being two ideological opposites, the former tending to social liberalism and the latter lying on the neoliberal wing of the political scale, formed rather a weak alliance that was not due to survive the upcoming general elections.

In the March 2003 elections, The Centre Party secured 28 seats, Res Publica, 28, Reform Party, 19, Peoples Union, 13, Pro Patria Union, 7, and Möödukad Party, 6. Since none of the six parties won a majority in the Parliament, the next government was due to be a coalition. After the elections, the President of the Republic Arnold Rüütel made a proposal to Juhan Parts, the former leader of the office of Auditor General, to form a

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\(^9\) 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.372.
new government and appointed him as the Prime Minister of the Republic of Estonia. The new government took office on 10 April 2003.\(^\text{10}\)

The coalition government was formed by Res Publica, the Reform Party and the People's Union. The aim of the coalition is to strengthen loyalty to Estonia and the development of the Estonian nation. This requires appreciation for the Estonian language and culture, education and science in the Estonian language, and the means necessary for their development. Its policy is aimed at restoring and improving the viability of the Estonian nation so as to ensure the strengthening of Estonia as a nation state.

The principles of the electoral system directly influence the number of parties and the agreements between parties. The three Riigikogu elections to date bear out the contention that small parties have only a negligible chance of ever getting into parliament. As a consequence of electoral defeat, small parties either vanish altogether or join forces: in 1992, 38 parties took part in the parliamentary elections, in 1999 this number had diminished to just 12.\(^\text{11}\)

Thus far, Estonian politics has proved the rule that the proportional electoral system leads to multi-party democracy and coalition governments. The government is formed by the parties that get the most votes; winning the elections, however, does not automatically guarantee the Prime Minister’s portfolio — in order to form the government, coalition partners have to be found first. Due to the relatively weak democratic parliamentary culture the parties try their best to build a majority coalition. This results in governments consisting of both leftist and rightist forces, whose inner ideological discordances may well hinder the decision-making processes.


It was precisely the agreement between the Pro Patria Union, Reform Party and the Moderates to form a coalition after the 1999 Riigikogu that created a situation where the Central Party — the party that obtained the largest share of the vote (23%) — was forced into opposition. Ministerial posts in the government coalition were divided equally between the social-democratic Moderates, the Christian-democratic Isamaaliit and the neo-liberal Reform Party. A similar coalition policy is evident at the local government level, where the ideological compromises necessary to maintain the coalition are even bigger. The formation of coalitions is also influenced by the active interference of the president and the mayors in the formation, respectively, of the state government and municipalities.\(^{12}\)

Estonia’s judicial and legal systems, which operate free from state political control, have continued to undergo various reforms during the last decade. Estonia has overhauled its system of criminal legislation. Independent Estonia also began a process of thorough educational reform. Higher education was restructured in the early 1990s into a four-year system after the five-year Soviet system was dropped. A new degree structure comparable to the Western one of baccalaureate, master’s, and doctoral degrees was established.

Estonia was not alone on its long road neither to recovery nor in its return to the European community of nations. Yet, even among so many countries with kindred past and a common desire for a better future, the hoped-for dawning of a new geopolitical age did not appear to have taken place by the mid-1990s. Estonia and the other Baltic states remained of strategic interest to the Kremlin, and the West appeared to have little intention of crossing Russia on its very doorstep. European, and especially Scandinavian, support for Estonia's defense forces was noticeable. But it would take a long time before a credible Estonian force could be

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assembled. Although the Russian troops had finally departed, full security for Estonia seemed to remain distant.

Estonian economy in the last decade has witnessed economic growth that is based on technology transfer spurred by foreign direct investments that has increased the efficiency of the economy. As the economic environment has become more stable and opened up, the growth of the economy has seemed to be automatic. Overall Estonia has enjoyed positive development. Economic autonomy was a key demand from Estonia during the negotiations that led to its independence. The Baltic States were the most prosperous areas of the former Soviet Union and they were keen to develop economic links with their Western neighbors outside the straitjacket of central planning. Other than oil-shale, which is present in significant quantities and provides the basis of the country’s power generation, Estonia has few raw materials of its own and relies mostly on imported commodities to produce finished goods. Light machinery, electrical and electronic equipment and consumer goods are the main products. Fishing, forestry and dairy farming dominate the agricultural sector. Estonia’s infrastructure, particularly the road network, is well-developed by regional standards. Post-Soviet economic policy has followed a customary pattern of deregulation and privatization.\(^\text{13}\)

In June 1992, Estonia became the first former Soviet Republic to introduce its own currency, the Kroon, which is the legal tender and is now fixed in value to the Euro. Estonia’s service sector was the most developed in the former USSR, and has since expanded further with increased tourism and Western investment. There is also a thriving financial services industry. Overall, trade with the West has increased dramatically, particularly with Scandinavia; Finland, Sweden and Germany are important trading partners. Despite this, Estonia still has fundamental economic links with the Russian Federation, and the 1998 Russian

economic crisis led to a recession in Estonia the following year. Growth in 2004, however, was around 5 per cent\textsuperscript{14}.

The radical steps taken in the first half of the 1990s in opening up the Estonian economy and achieving a macro-economic equilibrium triggered the rapid development of Estonia into an investment-based economy. Like in other countries in a similar phase of development, privatization opened the door to the inflow of foreign investment necessary for economic growth, thereby helping to balance the deficit in the foreign trade balance.

In Estonia, the engine of the productivity growth of the last decade and hence of economic development in a broader sense has been the technology transfer invoked by foreign investment, which triggered productivity increase in the economy. Many international surveys have reached the same results, concluding that foreign capital has been the leading agent of innovation in the Central and Eastern European transition countries. Productivity growth in Estonia and the other candidate countries has mainly derived either from the activity of domestic and foreign enterprises in establishing new enterprises or from foreign direct investment in those sectors that foreign enterprises have been interested in restructuring. Although the difference has been reduced with years, the enterprises that have been modernised in this way still seem to be outperforming domestic enterprises\textsuperscript{15}.

For Estonia the foreign policy has always been first and foremost security policy. Since 1991 during different periods different forms of security have had priority over Estonian foreign policy. However, thinking that foreign policy is something that has to secure national independence and increase international prestige has remained in the center of Estonian foreign policy thinking. The Estonian post- (August) 1991 foreign policy can periodically be classified on the basis of major historical landmarks.

\textsuperscript{14} Ibid.
First period, 1991-1994, marked the period when Estonia’s main aim was to strengthen its regained independence. Foreign policy of that period focused on the withdrawal of Russian troops from Estonian territory. It also included activities aimed at acquire various international recognitions—state recognitions of Estonian independence, membership of UN, OSCE, Council of Europe etc. Political and other cooperation links with Western democracies were established. Estonian diplomacy worked hard to build for Estonia a distinctive, non-Russian, image in the international community. Russian troops left in 1994 and this opened Estonia new foreign policy perspectives. European and transatlantic integration became a realistic objective16.

Second period, 1994-2004, was mainly dominated by the Estonian EU and NATO accession processes. Estonia was invited to start accession negotiations with the EU in 1997, door to NATO membership opened in 2001. NATO membership was achieved in March 2004 and in May 2004 Estonia became an EU member state. 

Third period started in 2004. After becoming an EU and NATO member Estonia has to search for new ‘Big Goals’ for its foreign policy. This means that the Estonian foreign policy perspectives are presently undefined and heterogeneous. Estonia feels more secure than ever before in its history. Estonia’s international position is now much stronger than before the 2004 ‘double enlargement’. The ‘Russian question’ — strained relationship between Estonia and Russia — is rapidly marginalising in Estonian foreign and security political agenda and is being replaced by new emerging topics like intra-EU cooperation, cooperation with the USA in non-European conflicts and the future EU enlargements to the former Soviet space and the Western Balkans17.

Both before and after independence, Estonia's foreign policy had a strong Western orientation. Western recognition of Estonia's legal independence was a key source of strength for the republic in its struggle with the Soviet Union. After 1991 Estonia worked to maintain that relationship and integrate with European political institutions as a further safeguard against potential threats from Russia.

In the wake of independence, Estonia moved quickly to join the international community. In September it was admitted to both the United Nations (UN) and the CSCE. In the UN, Estonia would later find common ground with the East European countries as well as participate in the organizations various committees and auxiliary bodies, such as the United Nations Educational, Scientific, and Cultural Organization (UNESCO), the United Nations Conference on Trade and Development (UNCTAD), the International Atomic Energy Agency (IAEA), and the United Nations Development Programme (UNDP). In March 1992, Estonia took part in the creation of the Council of Baltic Sea States, an association of all the countries bordering the Baltic Sea and dedicated to furthering regional economic and political cooperation. A year later, the Estonian representative was elected to a one-year term as president of the organization. In the realm of security, Estonia joined the North Atlantic Cooperation Council (NACC) in late 1991. Subsequently it joined the North Atlantic Treaty Organisation (NATO) in 2004. In 1999, Estonia joined the World Trade Organization, adding to its previous membership of the IMF, World Bank and the European Bank for Reconstruction and Development. In May 2004, Estonia, along with its Baltic neighbours and seven other countries, achieved a long-cherished ambition when it joined the European Union.\(^{18}\)

Membership in NATO, a collective defence organization, will ensure military security, allowing Estonia to participate productively in international security co-operation as well as representing the most certain

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guarantee of Estonia's national defence. Active NATO membership will always remain the top priority of Estonian security and defence policy. The basis for reforms being implemented to fulfill that purpose is that, similar to other NATO member states, stress is laid on the development of mobile and sustainable armed forces and on enhancing the capability of contributing to international peace operations. NATO membership is seen as a successful end for a traditional security dilemma of guaranteeing the territorial defence in case of an inter-state conflict, i.e., the possibility of Russian dominance or even directs intervention.

On 1 May 2004 Estonia became a member of the European Union. Being a Member State means integrating Estonia national interests into the common European interests. For effective participation in the development of the EU, it must take into consideration both the expectations of the citizens and the global challenges confronting the European Union. Many problems that the country is facing can be solved more efficiently in co-operation with other Member States. Success in attaining its goals will largely depend on its ability to co-operate and to find like-minded partners. Estonia can effectively fulfil the expectations of its citizens only by defending coherent positions at all levels of decision-making in the EU, while actively and proficiently presenting them to the institutions as well as in other Member States.  

Estonia would like to see the European Union as an important actor on the international scene, economically competitive and with strong political influence. According to the Estonian viewpoint, increasing economic growth and competitiveness of the European Union should be based on greater transparency of the economy, the improvement of the operation of the EU internal market and reduction of excessive regulation. For the effective functioning of the internal market, it is essential that the EU’s four main freedoms, the free movement of people, goods, services and capital, operate without any exceptions. Strengthening the role of the

European Commission as supervisor of the timely adoption of EU legislation by member states is essential in this regard.

Estonia supports initiatives directed towards strengthening the knowledge-based society and innovation, as well as projects aiming to promote life-long learning and to provide career-related training opportunities. In Estonia’s view, the key to real progress, enhanced competitiveness and higher productivity lie in effective policy coordination, in the integration of the ICT dimension into all policy areas and more attention should be paid to the effective implementation of the e-Europe action plan, including e-government, e-law, e-democracy etc.

The Estonian National Security Policy is based upon the principle that security is indivisible, upon the need for international security cooperation, and upon the common defence of democratic values. As a member of NATO and the EU, Estonia wishes to ensure its national security, and thereby, to also enhance the international security environment. Membership in alliances with common democratic principles and goals is the main basis for, and guarantee of Estonia’s national security. Estonia abides by the principle, that every nation has the right and freedom to choose its own solutions for its security needs and that every nation is obligated to not threaten the security of other nations. The Estonian National Security Policy and its implementation are not directed against any other nation20.

Finally we can conclude that the study points out the various aspects of the political developments that took place in Estonia during the period 1994-2004. It gives a detailed analysis of the changes that the political system of the country went through, its transformation into a parliamentary democracy and the emergence of the multiparty system. The political instability in the country has been described through the various elections that took place during this period. The study has also dealt with the foreign policy of Estonia and its inclination towards the West. This is

verified by the fact that it joined many international organizations like the NATO and the European Union. These organizations acted as a buffer between itself and Russia, its previous occupier. Estonian economy showed rapid progress during the past decade and has transformed itself into a dynamic one. Thus, the day is not far when it will occupy the same place as that of the Western World.