

Estonia

Capital: Tallinn
Population: 1.3 million
GNI/capita: US\$18,090

The social data above was taken from the European Bank for Reconstruction and Development's *Transition Report 2007: People in Transition*, and the economic data from the World Bank's *World Development Indicators 2008*.

Nations in Transit Ratings and Averaged Scores

	1999	2001	2002	2003	2004	2005	2006	2007
Electoral Process	1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.50
Civil Society	2.50	2.25	2.00	2.00	2.00	2.00	2.00	1.75
Independent Media	1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.50
Governance*	2.25	2.25	2.25	2.25	2.25	n/a	n/a	n/a
National Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.25	2.25	2.25
Local Democratic Governance	n/a	n/a	n/a	n/a	n/a	2.50	2.50	2.50
Judicial Framework and Independence	2.00	2.00	1.75	1.75	1.75	1.50	1.50	1.50
Corruption	3.25	2.75	2.50	2.50	2.50	2.50	2.50	2.50
Democracy Score	2.25	2.13	2.00	2.00	1.92	1.96	1.96	1.93

* With the 2005 edition, Freedom House introduced separate analysis and ratings for national democratic governance and local democratic governance to provide readers with more detailed and nuanced analysis of these two important subjects.

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. The opinions expressed in this report are those of the author(s). The ratings are based on a scale of 1 to 7, with 1 representing the highest level of democratic progress and 7 the lowest. The Democracy Score is an average of ratings for the categories tracked in a given year.

EXECUTIVE SUMMARY

As Estonia began to observe the twentieth anniversary of the first demonstrations that eventually led to its re-independence from the Soviet Union, its democratic development exhibited much the same kind of generational problems that young adults often have in their lives. While Estonia's constitutional institutions were stable and strong, politicians continued to suffer from occasionally rash decision-making or party squabbles. The scope of economic transformation had been impressive, but now the country needed to find a new growth model to move beyond simply recovering from communism. Integration of Estonia's Russian-speaking minority had improved noticeably during the last ten years, but experienced a considerable setback with the Bronze Soldier controversy. This incident left Estonia's relations with Russia at perhaps their lowest level ever, although the country's standing in the EU and NATO continued to be good.

Almost every aspect of Estonian societal life was affected in 2007 by the controversy over whether to relocate a Soviet-era World War II monument in Tallinn known as the Bronze Soldier. The dispute, which had begun simmering in 2006, played a role in Prime Minister Andrus Ansip's electoral victory in March 2007. At the same time, two days of rioting in Tallinn by mostly Russian youths after the monument was moved in late April seriously upset interethnic relations. Shortly thereafter Russia threw itself into the crisis, harassing Estonian diplomats in Moscow and sending pro-Kremlin activists into Estonia to stage additional protests. Lastly, in economic terms the episode led to a steep decline in Estonia's transit trade with Russia.

National Democratic Governance. Parliamentary elections in March returned Prime Minister Andrus Ansip to office, the first time since re-independence that such a re-election took place. Although the new governing coalition was different from Ansip's previous cabinet, it was more cohesive since it was made up solely of center-right parties. The coalition remained firm during the Bronze Soldier crisis, although the imbroglio also took away energy from other policy-making. The only major governance issue that divided the coalition concerned whether members of parliament could be appointed by ministers to serve on the oversight boards of state companies. This had been criticized by Estonia's outspoken Legal Chancellor Allar Jõks as a breach of separation of powers, but Ansip personally stood by the practice. At the end of the year, Ansip's Reform Party led a drive to deny Jõks a second term in office, a move largely seen as retribution. *Owing to the increasing politicization of constitutional institutions, which offset the increase in cabinet stability following the March elections, Estonia's rating for national democratic governance remains at 2.25.*

Electoral Process. The March parliamentary elections, in addition to being free and fair, were the first in the world to include voting via the Internet. The victory of Prime Minister Ansip's pro-market Reform Party with 28 percent was a setback for Estonia's previously most successful party, the left-leaning Center Party, which polled 26 percent. Part of this success was stoked by Ansip's strong declarations before the election in favor of moving the Bronze Soldier. At the same time, most of the campaign was focused on economic issues and promises to improve social welfare. The election also saw the emergence of a new Green Party, while ethnic Russian parties received very few votes. *While Estonia advanced in terms of innovative electoral procedures, concerns remained about a certain vacuousness in its political debates, thus the electoral process rating remains unchanged at 1.50.*

Civil Society. Civil society and ethnic relations were affected the most as a result of the Bronze Soldier affair. Among non-Estonians, the statue crisis was seen as a refusal by the Estonian government to take their historical identity seriously, and trust among them toward the Estonian state fell sharply. At the same time, Russia's behavior during the incident strengthened many Estonians' views that the Russian minority was simply an extension of Moscow's foreign policy. While both of these developments caused worry that Estonia was regressing in terms of its efforts at minority integration, preparations did continue in terms of drafting a new seven-year cycle for the policy program. This indicated a continued commitment by the government to work on ethnic relations and social harmony. Moreover, civic activism as such got a boost after the Tallinn city government convened a special 'civic peace forum' following the crisis, which brought together hundreds of community representatives and organizations. *Owing to this increased vibrancy of civil society as well as the renewed dedication to an integration policy Estonia's civil society rating improves slightly from 2.00 to 1.75.*

Independent Media. Estonia's media continued to be vibrant and free, both among Estonian- and Russian-language outlets. Still, the Bronze Soldier crisis aggravated tensions on both sides, often leading to emotional reporting and subjective analysis. The crisis did lead to a discussion about possibly creating a second state TV channel in Russian, but this was soon dropped because of its high cost. Oliver Kruuda, the owner of a large food conglomerate with close ties to the Center Party, launched a new media group, raising some concerns about partisan broadcasting. *Estonia's independent media rating remains at 1.50.*

Local Democratic Governance. Local democratic governance did not change much during 2007. While local governments do enjoy a range of autonomous rights and obligations, their independent revenue bases are narrow. The new Ansip government tasked its Regional Affairs Minister with working out a broad reform of the public administration system. By the end of the year, however, the minister came under criticism for not moving fast enough. *Estonia's rating for local democratic governance remains at 2.50.*

Judicial Framework and Independence. Estonia's legal system remained relatively stable in 2007. Instead, the spotlight was focused on a number of high-profile court cases, which tested the impartiality of the courts and of judges. In September, a court on the island of Hiiumaa began hearing the trial of Arnold Meri, a cousin of former president Lennart Meri. Arnold Meri who was charged with having participated in the deportation of some 250 people during Stalinist terror in 1949. The proceedings were seen as a sign of how far Estonia was intending to go with the issue of retrospective justice. Meanwhile, in another courtroom the trial of Ardi Šuvalov, a former judge accused of taking bribes for fixing verdicts, continued. In this case, Šuvalov's eventual conviction in early 2008 indicated that the judicial system was also ready to hold one of its own to account where necessary. *Estonia's judicial framework and independence rating remains at 1.50.*

Corruption. The scandal over some questionable land-exchange deals that had forced the resignation of Environment Minister Villu Reiljan in October 2006 expanded in 2007 to include other members of his People's Union party and the head of a major development company, Merko Ehitus. In addition to raising questions about how cozy Estonian politicians were with big businessmen, the affair also revealed loopholes in the country's party financing laws. On the whole, however, Estonia continued to have a relatively low level of corruption, as evidenced by international indices and a new government survey released in 2007. *Estonia's corruption rating remains at 2.50.*

MAIN REPORT

National Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	2.25	2.25	2.25

In March 2007 Estonia became one of the few countries in the post-Communist area to return its prime minister to office after a free and fair general election. Prime Minister Andrus Ansip led his pro-market, liberal Reform Party to victory at the polls on March 7, giving him the prerogative to form a second government in succession. The election in this respect improved Estonia's governance, since it yielded a clear center-right government made up of Ansip's Reform Party (RP), the conservative Pro Patria and Res Publica Union (PPRPU) and the centrist Social Democratic Party (SDP). The match-up augured well for the future, since the same three parties had been in power from 1999 to early 2002, when Estonia tackled some major economic difficulties and carried out a number of key European Union accession reforms. The outcome also ended the stop-gap government that Ansip had maintained since May 2005 with the leftist Center Party (CP), which had lacked direction. Estonia was now on much more solid governing ground than before.

The strength of this coalition was also important for the first major crisis the government would face: the decision to relocate the Bronze Soldier war memorial in downtown Tallinn. For years this monument of a Soviet soldier lowering his head in front of a small square where 12 unknown Soviet soldiers had been buried had not caused major controversy. Every May 9, World War II veterans (mostly Russians) would gather peacefully at the site to commemorate Soviet Victory Day. In May 2006, however, a scuffle took place between the veterans and a small group of Estonian nationalists, which prompted the Ansip government to block off the complex for three months. When the site was re-opened, Prime Minister Ansip claimed (citing Estonian security service reports) that the monument was likely to become a perpetual source of potential conflict and therefore it had to be relocated.

Ansip's initial plans, however, were thwarted by the Tallinn city government, which used its legal jurisdiction over the monument to argue that more discussions with veterans groups were needed before relocation could take place. The city's stance appeared high-minded, but it was also deeply political, since the government was controlled by the Center Party, and the party relied heavily on ethnic Russian votes to remain in power. It could not afford to alienate such a large constituency.

Ansip therefore turned to parliament in order to pass special legislation transferring control over the monument to the national government. Although this move strained relations within Ansip's cabinet (since at the time the coalition was still made up of Ansip's Reform Party and the Center Party), the government did

not fall and parliament passed the amendments with votes from the PPRPU and the SDP.

During the parliamentary election campaign in early 2007, the memorial did not become a major issue. The PPRPU briefly used images of the monument during one television ad and Prime Minister Ansip continued to stress that if he were re-elected he would re-locate the memorial complex as soon as possible. But Russian parties did not make the monument a rallying cry, nor did any groups attempt to rally at the site.

Still, the issue remained an emotional one. Although over the last 10 years the monument had been altered by the removal of some large red Soviet stars and an eternal flame, it was still a painful reminder for many Estonians of their re-occupation by the Soviet Union in 1944. Moreover, many objected to its location at a prominent intersection in the capital and opposite the national library. Yet, for Russian groups the monument was an important part of their historical identity, and they were indignant at the way the Estonian government appeared determined to disregard their feelings. While the memorialization of World War II has always been strong among Russians, the ascendance of Vladimir Putin in Russia and the re-emergence of many old Soviet traditions in that country have also served to accentuate such sentiments among Russians in Estonia.

The government finally decided to act on April 26, erecting a tent over the monument site in order to begin exhuming the bodies of the unknown Soviet soldiers. By evening, a crowd of over 1000 (mostly Russian) protestors had gathered around the complex and were taunting police. When Estonian police began disbursing the demonstrators, several hundred of them entered neighboring streets and Tallinn's famed old town. They soon began smashing shop windows and looting, in some cases while recorded by television cameras. The Estonian security services spent the better part of the night restoring order, arresting hundreds and treating dozens for injuries. One protestor, a 19-year-old Russian Federation citizen resident in Estonia, was killed when he was among a group that attacked a bar, which Estonian patrons inside attempted to defend. In the midst of the mayhem, the government decided to speed up its work and indeed removed the Bronze Soldier statue immediately for reinstallation in a military cemetery outside the downtown area.

While the shock of violence was great, Prime Minister Ansip insisted the next day that the government had acted appropriately. He decried the vandalism and said this was no way to honor the memory of those fallen in the war. Still, rioting flared again on the night of April 27, while some acts of public disobedience (e.g. driving cars slowly through the streets of Tallinn) were also attempted.

By the third day, the situation in Tallinn calmed, but thereafter tensions shifted to Moscow, where activists from the pro-Kremlin Nashi youth organization attempted to blockade the Estonia embassy and harass diplomatic personnel. This led the European Union to rebuke the Russian government harshly for not living up to international conventions protecting diplomats. After two weeks, the bluster from Moscow also died down, although in sum Estonian-Russian relations had

reached their lowest point ever. While President Putin denounced the Estonian government's actions, Tallinn accused Russia of having been behind a number of cyberattacks against Estonian government websites.

In the aftermath of the entire crisis, the Estonian government, if anything, was more united. The popularity rating for Prime Minister Ansip's Reform Party (RP) spiked to more than 40 percent, an unprecedented level for any Estonian party, ever. This emboldened the party to be especially tough during the second half of the year, among other things, standing against its coalition partners in a disagreement over whether members of parliament should be allowed to sit on the executive boards of state-owned companies. Estonia's Legal Chancellor, Allar Jõks, had ruled that if MPs are appointed by cabinet ministers to sit on the boards, this was a violation of the separation of powers. The Reform Party disputed this interpretation and continued to allow its cabinet ministers to appoint MPs from the RP to various boards.

For some time, both the Reform Party and the Center Party—Estonia's two largest—had tussled with the legal chancellor over several issues, including party financing laws and local election rules. In another temporary shift of allegiances, the RP decided in December to ally with the CP in opposing President Toomas Hendrik Ilves's nomination of Jõks to a second seven-year term. The popular ombudsman was thus scuttled by an RP-CP majority vote in parliament in what many saw as revenge. A new legal chancellor was appointed later in 2008.

Electoral Process

1999	2001	2002	2003	2004	2005	2006	2007
1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.50

The parliamentary election that Estonia held on March 7 was its fifth since independence in 1991. As with all of Estonia's previous electoral contests, the poll passed off without any major problems. Indeed, Estonia actually achieved a milestone by becoming the first country in the world to allow voting for the national parliament via the Internet as part of its already wide range of e-government services. The procedure was made possible and secure thanks to the existence of microchips implanted in every Estonian's ID card. The chips can be read by an inexpensive reader and are complemented by a set of numerical codes known only to the card holder. Estonia first tested the system successfully during local elections in 2005. In 2007, the number of "e-votes" cast tripled to over 30,000. As a result, analysts began to speculate whether voting during Estonia's next elections (to the European Parliament in 2009) might even be made possible via mobile phones.

Technological advances aside, however, the main political battle during the election involved the two major parties in government at the time, the Reform Party and the Center Party. For years, the two have occupied almost opposite ideological

poles. While the Center Party has championed a progressive income tax for Estonia, the Reform Party has called for lowering even further the current flat-rate tax of 22 percent. While the Center Party has called for more social spending, the Reform Party has warned against building a welfare state. The fact that the two parties were together in a coalition was merely an arrangement of convenience following the collapse of a previous center-right government in 2005. At the time, there was no other way to make the parliamentary math work.

For this election, the question therefore quickly became which of the two parties would come out on top. Opinion polls placed the Center Party slightly ahead. Both parties also avoided direct attacks against each other, preferring instead to project positive images. The RP promised to make Estonia “one of the five richest countries” in the European Union, while the CP promised to double average salaries in the public sector. Both of these promises soon brought charges in the media of vacuousness. But on the whole the parties successfully avoided tackling any major issues, including how Estonia would deal with a slowdown in its spectacular 8–10 percent economic growth rates if a world recession occurred. Somewhat from the margins, the other major parties (the Pro Patria and Res Publica Union, the Social Democratic Party, and the agrarian People’s Union) tried to bring in other themes. But these proved less effective.

On election night, the Reform Party topped the Center Party by nearly two percentage points. A strong showing also by the PPRPU (18 percent) and the SDP (10.6 percent) meant that a center-right majority coalition was once again possible. Andrus Ansip immediately began consultations, and even tried to include the Green Party, a newcomer which was formed in 2006 and picked up 7 percent of the vote. But since this would have created an oversized coalition, Ansip eventually dropped the Greens and the new cabinet took office on April 5.

The elections were another big disappointment for Estonia’s Russian parties, two of which took part in the poll, but received very small vote margins. The Constitution Party scored just 1 percent and the Russian Party of Estonia returned 0.2 percent. The explanation behind this result was two-fold. First, fewer than half of all ethnic Russians in Estonia have Estonian citizenship allowing them to participate in national elections. This has been a legacy of Estonia’s 1991–1992 citizenship legislation, which denied automatic citizenship to all those people who settled in Estonia during Soviet rule as well as their descendants. Since this principle overlapped with the vast majority of Russians in Estonia, Russian political participation has always remained far below the minority’s actual 35 percent share of the population.

Second, many ethnic Russian voters preferred Estonian parties, in part because these parties have often succeeded in attracting to their ranks a number of prominent Russian community leaders. Thus, according to different post-electoral polls conducted by the Department of Political Science at the University of Tartu, some 50 percent of ethnic Russians in Estonia generally vote for the Center Party. In 2007, the party did particularly well in the heavily Russian towns of Narva, Sillamäe, and Kohtla-Järve, winning up to two-thirds of the vote.

Civil Society

1999	2001	2002	2003	2004	2005	2006	2007
2.50	2.25	2.00	2.00	2.00	2.00	2.00	1.75

The events surrounding the Bronze soldier also affected civil society in Estonia by heightening ethnic anxieties and laying bare some of the longer-term issues of minority integration that Estonia still faces. The sight of Russian youths rioting in Estonia's capital city was a shock for most Estonians. Moreover, the degree to which Russia got involved in the crisis reinforced the impression among many ethnic Estonians that the Russian minority remains a potential foreign policy tool of Moscow instead of being a dedicated part of Estonian society. Meanwhile, many Russians felt dismayed at the Estonian government's unilateral approach to relocating the monument. Following the crisis, satisfaction among non-Estonians with leadership in Estonia fell to less than 20 percent.¹ One well-known expert, Marju Lauristin, a professor of communications at the University of Tartu, commented that Estonia risked going back to the days of simplified stereotypes and misgivings, which previously Estonia seemed to have outgrown.²

Still, the crisis also generated some positive effects. Barely ten days after the riots, the Tallinn city government launched a "civic peace forum" to restore interethnic and societal dialogue in the capital. The forum's first meeting attracted some 300 people and encompassed over 40 civic organizations. Although some commentators dismissed the event as an attempt by Tallinn mayor and Center Party chairman Edgar Savisaar to cast himself as peacemaker following Prime Minister Ansip's imbroglio, the forum continued to meet throughout the rest of the year and eventually drew up a set of special reconciliation projects to be financed by the city. Within the framework of the forum there was a clear mobilization of varied civil society groups, which hopefully will continue into the future.

Likewise, surveys conducted during the summer showed that both Estonians and Russians continued to trust one another by significant majorities. Some 56 percent of Estonians trusted non-Estonians, while 66 percent of non-Estonians trusted Estonians. The share of people not trusting the other group was just 22 percent.³ Moreover, among young Russians (under 29 years of age) 70 percent reported being able to speak Estonian either well or adequately as opposed to just 22 percent among Russians aged 60 to 74.⁴ This fact indicated that by generation the levels of minority integration were improving.

Part of this success was due to Estonia's official integration program, which since 2000 has sponsored a wide range of projects at both the national and local levels fostering Estonian language training, cultural awareness, mutual tolerance and minority political participation. While many Russian community leaders have complained that the measures actually risk assimilating Russians, and surveys have shown that in general Russians have not yet perceived much help from the integration programs, the policy has changed attitudes among Estonians and convinced them of the need to address Russian minority problems.⁵

In this respect, Estonia's Minister for Population Affairs, Urve Palo, had her work cut out for her when she began in 2007 to draft a new seven-year cycle for the program. During the year, Palo held a number of expert meetings and public forums to discuss both new principles and activities for the policy. The former included a commitment to strengthening national unity, increasing minority participation in societal affairs and ensuring equal opportunities for all. New activities were aimed at advancing the teaching of Estonian in Russian-language schools, reducing ethnic segmentation in the economy and labor market, and expanding information sources for minorities. Although the final policy paper was set for adoption in 2008, the events of 2007 clearly showed that integration was a policy that needed to be continued.

Independent Media

1999	2001	2002	2003	2004	2005	2006	2007
1.75	1.75	1.75	1.75	1.50	1.50	1.50	1.50

During any national crisis, the independent media play a central role in providing objective information as well as keeping coverage balanced and responsible. Amidst the Bronze Soldier crisis (and throughout the year), the Estonian media were generally free, fair, and reliable. The Estonian government did not interfere with media coverage of the events, allowing both state and private media to operate freely. At the same time, the government did attempt to control its own information flows. For example, during the height of the rioting, only key cabinet officials were allowed to speak to the press. Later the government repeatedly cited special reports from the Estonian Security Police Board (SPB), which it said proved how necessary it was for them to act and avoid additional provocations. No independent verification or analysis of these reports, however, was made possible.

In reporting the crisis itself, some of the coverage became subjective or polemical. The main Estonian-language dailies published large photographs of enraged protestors damaging property and looting shops. On the editorial pages, columnists and readers vented their anger both at the rioters and at Russia, often linking the two together. The Russian-language media, meanwhile, were generally more neutral, criticizing (as they had before the crisis) the relocation of the war monument, but not inciting readers to stage additional protest actions or disturbances.

The crisis did spawn a discussion over whether Estonia should invest in the creation of a second state-run television station, which would be run in Russian language. The argument was that such a station would provide more direct information to viewers about Estonia in the Russian language. This would help also to explain better Estonian government decisions to minority residents, not only about issues such as the Bronze Soldier, but also more practical questions such as naturalization requirements, education reform, Estonian language courses, etc. Such a program also could help offset the degree to which many Russian-speaking

residents of Estonia rely exclusively on Russian Federation television channels for their daily information. At the same time, a number of government officials soon pointed to the high price of such an undertaking, citing not only extensive start-up costs, but also recurring production expenditures needed to maintain high quality programming. By the end of the year, the idea had been dropped.

Instead, Estonia's state television and radio underwent a different kind of structural reform, when on January 18, 2007, the Estonian parliament approved a long debated law merging as of June 1 the two services into one unit, to be called Estonian Public Broadcasting (EPB). While some journalists opposed the move, seeing it as an unwise centralization of state broadcasting power, the management on both sides as well as a number of key parliamentarians favored the union so that the two divisions could pool their news-gathering operations, production facilities and Internet resources. Moreover, in August 2007 the EPB unveiled the architectural design for a new headquarters of the joint service to be built by 2010.

Still, a second controversy surrounding the EPB concerned the appointment of members to a new supervisory board. A number of parliamentarians had maintained that only MPs should be appointed to the board in order to ensure parliamentary and political control over the EPB. Others insisted, however, that the board should include independent media experts in order to keep the politicians from colluding and manipulating the EPB in their own interest. After a public outcry against the dangers of politicizing the EPB, parliament finally agreed to name three outside experts to the board alongside six MPs.

Beyond the realm of state broadcasting, it was worth noting that more and more of Estonia's public debate also moved into the Internet during 2007, with newspapers running on-line news portals, readers posting real-time commentaries and politicians blogging. Indeed, often these different forms became inter-linked, with the claims of one politician or another in a blog becoming news in the electronic versions of newspapers or on other websites. Estonia media portals competed to offer readers (especially young people) a wide range of supplementary services to make their sites attractive.

It was in this way that a brand new media concern was launched in September by Oliver Kruuda, the owner of a large food conglomerate called Kalev. Kruuda announced the creation of a new 24-hour news portal, Kalev.ee, that would seek to compete with other outlets by concentrating mainly on local Estonian news. Kruuda decided to sell large parts of his existing business empire in order to finance the venture, which would include a cable sports channel and the ownership of a major sports magazine. At the same time, Kruuda was known to have strong ties with the Center Party and its leader Edgar Savisaar, having helped to fund a number of controversial political advertisements for the party during local elections in 2005. At the end of 2007, it was announced that the new Kalev television station had also won a contract with the Tallinn city government (controlled by the Center Party) to broadcast sessions of the city council as well as produce monthly programs about life in the capital city. These aspects raised questions about how objective the new conglomerate was going to be.

Local Democratic Governance

1999	2001	2002	2003	2004	2005	2006	2007
n/a	n/a	n/a	n/a	n/a	2.50	2.50	2.50

Estonia's local governments are relatively autonomous in terms of managing their own affairs, but their degree of actual governance has been limited because of a large number of municipalities, which has in turn fragmented their ability to carry out more large-scale projects or combine resources. Although local governments have independent revenue sources thanks to property taxes and a guaranteed share of income tax proceeds, these means are often not enough to go beyond the provision of essential services. Infrastructure projects, and in particular those that might qualify for EU financing, often require much larger co-funding or administrative capacity than the existing capabilities of single municipalities.

To this end, the Estonian government (under different prime ministers) has long sought to promote a consolidation of the approximate 250 local governments, which existed in the 1990s. By 2007, this number had been reduced to 227 thanks to some voluntary mergers between local governments. In the new Ansip government, however, Minister for Regional Affairs Vallo Reimaa was specially requested to develop a new reform of the public administration, including changes in local government. Reimaa convened a number of roundtables and was in the process of putting forward some proposals. Yet, at the end of the year he came under criticism from within his own party (the Pro Patria and Res Publica Union) and in particular the party chairman, Mart Laar, who complained that Reimaa was moving too slowly, risking losing the momentum behind a new effort at public administration reform.

Judicial Framework and Independence

1999	2001	2002	2003	2004	2005	2006	2007
2.00	2.00	1.75	1.75	1.75	1.50	1.50	1.50

Estonia's judicial framework and independence were in the spotlight during 2007 thanks to a number of high-profile court cases involving both the Bronze Soldier issue as well as more distant issues from the past dating back to 1949. In late February, the Tallinn City Government appealed to Estonia's constitutional court regarding the special legislation parliament had just passed allowing the national government to relocate war memorials when necessitated by the public interest. The city argued that this was a violation of the Estonian Constitution's guarantee of autonomy for local governments, since in general such monuments were under local jurisdiction. The court announced its final ruling only in early June, thus over a month after the Tallinn riots. Still, the court issued a fairly balanced decision by

agreeing with the city that the new law was an infringement on local government autonomy, but that in this case such infringement was permissible, since given the international nature of war any monuments erected to commemorate them were automatically of national importance, and the state should have the right to regulate them.

A second court case that raised political eyebrows opened in September on the Estonian island of Hiiumaa, where a decorated Soviet war veteran, Arnold Meri, was accused of having supervised the deportation to Siberia of 251 people during the mass collectivization of agriculture in Estonia after World War II. According to the state prosecutor, Meri was the chief political officer sent to Hiiumaa to carry out the deportations and was as such responsible for the repression of dozens of innocent people. At the same time, the case raised questions about the usefulness of trying such 80-year-old men when so much time had already passed. Press reports in the Russian Federation also questioned whether this wasn't just another attempt to blacken the name of a Soviet military hero. Still, the court case revealed that even the cousin of former president Lennart Meri was not immune from investigation into deeds carried out nearly six decades earlier. The proceedings themselves were expected to last several months.

Lastly, the Estonian court system itself was held accountable during 2007 via the continued trial of Ardi Šuvalov, a former county judge accused of taking bribes to issue favorable verdicts. In April 2006, Šuvalov was arrested by agents of the Security Police Board after he accepted a bribe of 200,000 Estonian kroons (\$16,500) from an undercover officer. Overall, Šuvalov was charged with trying to take over a million kroons in bribes in order to end a criminal case against a businessman. Yet, as a former judge, Šuvalov also knew how to drag out a court proceeding, and thus during 2007 Šuvalov himself brought a suit against the state prosecutor's office for having issued a press-release about his case, which he claimed leaked sensitive information about him. In December the Tallinn administrative court threw out the case, and Šuvalov was left to struggle with his own trial. In January 2008, Šuvalov was convicted of taking bribes and sentenced to three and a half years in prison.

Corruption

1999	2001	2002	2003	2004	2005	2006	2007
3.25	2.75	2.50	2.50	2.50	2.50	2.50	2.50

In 2007 Estonia saw its ranking in Transparency International's Corruption Awareness Index slip by 0.2 points to 6.5 on the scale of 1–10 where 10 is the best score (least corrupt), mostly because of an apparent slowdown in the government's efforts to combat corruption.⁶ Estonia also ceded its 2006 title of least corrupt country in Central and Eastern Europe to Slovenia, which climbed to 6.6. On the one hand, these developments seemed to run counter to a number of unprecedented

corruption investigations which were either launched or continued during 2007. At the same time, part of Transparency International's criticism stemmed from a delay in the adoption of an official government program to fight corruption, which did not come until 2008. Moreover, a survey of corruption released by the Estonian Ministry of Justice in 2007 reported that just 3 percent of individual Estonians and only 12 percent of businesses said they had paid a bribe to a civil servant over the last year. Fully 81 percent of respondents said that neither they nor anyone they knew had come into contact with having to pay bribes.⁷

The scandal, which continued to grab the most headlines during 2007 involved Villu Reiljan, a former Minister of Environment and leader of the agrarian People's Union party. In October 2006, Reiljan had been forced to resign as both minister and party chairman after officials from the Security Police Board accused him of negligence in having failed to prevent some shady deals carried out by officials at Estonia's Land Board. The officials had organized a scheme whereby a number of key businessmen were allowed to exchange privately held rural tracts of land for state-owned properties in major cities as part of a government program to expand national conservation areas. The problem was that in many cases the value of the rural lands was greatly inflated in order to allow the businessmen to receive the desired city properties. Having signed off on the deals as Environment Minister, Reiljan was being investigated to see whether he or his party had received any kickbacks.

During 2007, the SPB's investigation expanded to include Reiljan's party colleague and former Agriculture Minister, Ester Tuiksoo, together with Toomas Annus, the chief executive officer of Merko Ehitus, a prominent construction company and real estate developer. In particular, the Security Police wanted to know whether Tuiksoo had not tried to engineer a move of her ministry to a major new office building completed by Merko Ehitus in exchange for a possible bribe. Moreover, additional inquiries soon revealed that the general secretary of the People's Union had been driving around in an SUV provided to her free-of-charge by a major automobile dealer, while other party leaders lived in apartments rented out far below the market price.

All these suspected improprieties brought once again into the spotlight the issue of party financing, since even though Estonia banned corporate contributions to political parties in 2003, single businessmen have still channeled huge sums of money to parties and prominent party leaders have continued to accept small favors such as reduced-price goods. At one point, members of the People's Union wondered whether they would actually survive all of their scandals politically. During the March parliamentary elections, the PU saw its support drop by half to just 7 percent. Still, the party's new leader, Jaanus Marrandi, vowed to continue fighting all of the charges and to rebuild the Union's image.

Estonian corruption in this sense appeared to take place most of all in the form of never actually violating the letter of the law, but certainly going against its spirit. Indeed, in 2005 Prime Minister Ansip inadvertently coined a phrase to capture this phenomenon by noting how in many such cases "Legally everything is above

board.” (“Juriidiliselt on kõik korrektne.”) Soon afterwards the abbreviation of this Estonian-language phrase, “Jokk”, became a frequently used expression of political sarcasm. During the March 2007 elections the Social Democratic Party even tried to capitalize on the phrase by making it a campaign slogan, promising to end all “Jokk”. Thus, even in the midst mounting cynicism about politics and frustration over corruption, Estonian still had a knack for turning a clever phrase.

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- ¹ Ivi Proos and Iris Pettai, “Rahvussuhted ja integratsiooni perspektiivid Eestis: sotsioloogilise uurimuse materjalid” [Ethnic Relations and the Prospects for Integration in Estonia: Materials from a Sociological Study], Tallinn: Eesti Avatud Ühiskonna Instituut, 2007, p. 21.
 - ² Sandra Maasalu, “Uuring: eestlaste eelarvamused venelaste kohta on suurenenud” [Study: Estonian Prejudices Toward Russians Have Grown], Postimees.ee, August 9, 2007, <http://www.postimees.ee/090807/esileht/siseuudised/276187.php>.
 - ³ Proos and Pettai, p. 18.
 - ⁴ Ibid, p. 25
 - ⁵ Ibid, pp. 10, 12, 20.
 - ⁶ Tarmu Tammerk, “Laisk riik ja kõlavad afaarid kukutasid Eestit korruptsioonitabelis” [A Lazy State and Loud Scandals Tumble Estonia in Corruption Index], Eesti Päevaleht Online, October 15, 2007, <http://www.epl.ee/artikkel/403977>.
 - ⁷ Mari-Liis Liiv and Kadri Aas, “Korruptsioon Eestis: kolme sihtrühma uuring 2006” [Corruption in Estonia: A study of Three Target Groups, 2006], Tallinn: Justiitsministeerium ja Tartu Ülikool, 2007, p. 22–3.

