

Estonia

by Paul A. Goble

Capital: Tallinn
Population: 1.4 million
GDP/capita: US\$16,203
Ethnic Groups: Estonian (67.9%), Russian (25.6%),
Ukrainian (2.1%), Belarusian (1.3%),
Finn (0.9%), other (2.2%)

The economic and social data on this page were taken from the following sources:

GDP/capita, Population: *Transition Report 2006: Finance in Transition* (London, UK: European Bank for Reconstruction and Development, 2006).

Ethnic Groups: *CIA World Fact Book 2007* (Washington, D.C.: Central Intelligence Agency, 2007).

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	2.00
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	1.96

* 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 of this report. The opinions expressed in this report are those of the author. 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

Three events in 2006 symbolized Estonia's remarkable—indeed, almost unparalleled—achievements in making the transition from Communist occupation to free society, as well as highlighting some of the difficulties that a small Baltic country still faces in the future.

First of all, 2006 saw a symbolic change of generations at the top of the country's political hierarchy, with the death in March of former president Lennart Meri and the defeat in September of then incumbent president Arnold Ruutel by Toomas Hendrik Ilves. Meri and Ruutel grew up in pre-1940 Estonia, lived through the Soviet occupation, and represented in their own persons the continuity of statehood that has been a keystone of Estonia's national life. Ilves, in contrast, was born and grew up abroad; he came to Estonia in the 1990s to work as foreign minister, journalist, Social Democratic politician, and (most recently) member of the European Parliament.

In addition to the obvious generational change his election represents, Ilves brings an important new dimension to the presidential palace neighborhood of Kadriorg: He is closely tied with the Social Democratic Party he helped to reestablish and thus is likely to change the dynamics of the relationship between the presidency and the Parliament over the course of his tenure.

Second, in 2006 Estonia became an even more important "exporter" of democratic values with former prime minister Mart Laar serving as a key adviser to the government of the Republic of Georgia and Estonian forces participating in NATO-led operations in Afghanistan and Iraq—even though some international monitoring agencies and at least one domestic nongovernmental organization (NGO) stressed that Estonia itself still had a long way to go to institutionalize democratic values.

Third, 2006 was marked not only by political change at the top and abroad, but by a continuing "battle over monuments," as Estonians and ethnic Russians—some citizens of Estonia, some citizens of the Russian Federation, and some still without citizenship in either country—struggled over how key events in the country's national life in the twentieth century should be commemorated by statues or other monuments.

Disputes over the fate of the Soviet war memorial in front of Estonia's national library in the capital, Tallinn, attracted the most attention, but Estonians also found themselves divided and sometimes criticized for other memorials, including those involving Estonian resistance to the Soviet advance against the Germans in World War II.

National Democratic Governance. Estonia's parliamentary government remained more stable in 2006 than in earlier years, but this stability of cadres did not translate into the adoption of much legislation. One reason is that the Parliament remains divided among a large number of parties. Another is that many of Tallinn's most immediate challenges are bringing its legislation and practice into line with European Union (EU) rules, an effort that is often devoid of dramatic votes even though it involves some of the most serious issues. Yet a third is that the year saw another recombination of political groupings as various parliamentary and extraparliamentary factions positioned themselves for elections to the Parliament that will be held in the spring of 2007. *Taking all these things into consideration, Estonia's national democratic governance score remains at 2.25.*

Electoral Process. There were no local elections in Estonia in 2006, and the election of the president in the late summer and fall took place indirectly through the Parliament, where no candidate received the necessary two-thirds supermajority, and then through a broader electoral assembly, where Toomas Hendrik Ilves defeated Arnold Ruutel. As in earlier years, many Estonian commentators called for amending the country's Constitution to allow for the direct popular election of the president, with one senior minister urging the wholesale redrafting of the Constitution now that Estonia is a member of the EU. If polls are to be believed, Ilves would have won a direct election, but many observers complained that the media were not balanced in their coverage of the election. One opposition politician even suggested that the election was not between Ruutel and Ilves, but between Ruutel and the media, which he said were entirely behind Ilves. *Estonia's rating for electoral process remains at 1.50.*

Civil Society. The Estonian government places few restrictions on the activities of NGOs. Indeed, measured by that yardstick, Estonia is already one of the freest countries in the world. But the country's small size means that NGOs are often dependent on a single domestic supporter or on foreign assistance, thus undercutting the meaning of what would otherwise be a dynamic public space. In 2006, Estonian NGOs continued to struggle, with some playing a larger role in interacting with government and broader society, but with others facing an uncertain economic future. But one very encouraging sign is that many young Estonians tell pollsters they trust NGOs more than political parties or most other institutions. *As a result, Estonia's score for civil society remains at 2.00.*

Independent Media. The Estonian media in 2006 had both positive and negative features. Among the most positive were the continuing ability of the media to operate free of direct governmental regulation, the rise of Russian-language editions of portions of the national press and the appearance of a special series entitled *Remaining Russian* on the state television channel, and the continued growth of Internet use in what is already one of the most online countries in the world. But among the more negative features were the Parliament's rejection of a bill

that would have ensured better communication of government decisions to non-Estonian speakers, the appearance of the worst kind of yellow journalism in the run-up to the presidential vote in the early fall, and the inability of the print media to escape the dilemma of operations in a small media market, where most papers are financed either by readers (which makes prices high) or by owners (which raises serious questions about editorial control) rather than by the bundled advertising that is typical of larger markets. *Estonia's independent media rating thus remains at 1.50.*

Local Democratic Governance. Local elections at the end of 2005 led many Estonians to think that their local governments would be given greater taxation authority and independence of action. That did not happen in 2006. Instead, the local governments outside the major cities were forced to confront the problems arising from declines in the number of residents and a rapidly aging population. And while some in the regions were encouraged by the fact that the presidential election was resolved in the countrywide electoral college rather than by the increasingly Tallinn-centric Parliament, particularly in the economically hard-pressed south and northeast, many in these regions felt that the national government was either ignoring their needs or seeking to address them on a national rather than a regional or local basis. *Estonia's rating for local democratic governance remains at 2.50.*

Judicial Framework and Independence. Prodded by the EU and other international bodies and aware of shortcomings in the past, the Estonian government worked hard in 2006 to improve the training of judges and to expand consultation between the judicial authorities on the one hand and academic experts and civil society groups on the other. But if the already independent judicial sphere showed progress, conditions in Estonia's prisons did not. They were the subject of sharply critical reports by the EU, the United Nations, and human rights watchdog groups, and a few Estonian public figures were sufficiently concerned about the country's penal system to the extent that some in the government suggested that private entrepreneurs should take over the prisons and work to improve them. *Estonia's rating for judicial framework and independence remains at 1.50.*

Corruption. Estonians continue to believe that their government and economic institutions are more corrupt than most international watchdog groups think these institutions to be. Among the reasons for this belief by Estonians is a national style that accentuates the negative over the positive, extensive media coverage of corruption charges and trials, and a tendency to label certain activities as corrupt—such as covert Russian government involvement in Estonian media and politics—that few international monitors include. This third partial explanation for Estonian views became more significant in the past year not only by reports of government concessions to wealthy Russians seeking Estonian citizenship or control of Estonian economic institutions, but also by virtue of regular reporting

of the country's security police about Russian government malfeasance in this area. *Because consolidating these different perspectives is difficult if not impossible, Estonia's corruption rating remains at 2.50.*

Outlook for 2007. The year ahead appears likely to be a far more contentious and difficult one in Estonia than the last several have been. First, in the early spring there will be parliamentary elections in which several new, or newly combined, political parties will be competing for votes with sharply contrasting agendas. Second, Estonia will be implementing the next stage of its Estonian-language requirements in the schools, a program that some politicians and analysts believe could trigger a "Latvian scenario," in which the divisions between Estonians and ethnic Russians could deepen, especially if Moscow seeks to play up these differences. Third, Estonia will continue to wrestle with the implications of its EU membership, now that it has ratified that organization's Constitution, and with its past, including disputes with Russia and Russians about monuments and symbols.

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

Estonia remained a stable, parliamentary republic throughout 2006. The United Nations praised Estonia for its willingness to address its problems, but the Open Estonia Institute bemoaned divisions and a lack of trust in the Estonian political system, which limited that country's political system from taking needed steps forward.¹

The government itself remained remarkably stable throughout the year, with little of the ministerial turmoil that has marked most of the period since Estonia recovered its independence in 1991. This stability, however, did not translate into the adoption of much legislation. One reason for that is that both the coalition government and the Parliament remained divided among a large number of parties. Another is that the government focused throughout 2006 on the continuing effort to prepare the country for ultimate accession to the EU Schengen system, steps that did not always require legislative action. Third, most of 2006 was focused on the election of a president and the positioning of various parties for a parliamentary vote scheduled for early 2007.

The presidential election is considered in the next section, but its impact on Estonia's Parliament and political parties will be examined here. These changes, which brought together several of the oldest parties and sparked speculation that one of the largest parties (Edgar Savisaar's Center Party) may have peaked, have been such a frequent feature of Estonian political life that examining them often recalls the efforts of scientists to examine short-lived trace elements produced by the coming together of two subatomic particles: A great deal of heat and light is generated about something that may not last very long.

More intriguingly, many analysts who had suggested that the Center Party would gain from the aging of Estonia's population now argue that the Center Party may have passed its peak and will soon lose much of its ethnic Russian constituency next year. Whether that happens, of course, remains very much an open question.

The political party situation in Estonia remained fluid throughout the year. Some small parties—those attracting less than 5 percent of the electorate—were able to retain more or less constant levels of support, but the major parties both in the government and outside saw their numbers rise and fall on a regular basis because they have not been able to create the kind of “big tent” that most parties in Western countries aspire to become. Most of the parties appear to be based more on the attractiveness of particular leaders than an attachment to party programs. The Social Democratic Party may prove an exception, although its leadership too

is diverse ideologically. Two of the more important parties combined in 2006,² although it remains unclear just how much their “union” will mean in the future. Ethnic Russian parties continued to be fragmented, with few of their leaders expecting that situation to change anytime soon.³

One leading commentator and participant, Rein Taagepera, has suggested that Estonia needs no more than four or five parties, but it has far more than that—often making unstable coalition governments a near necessity.⁴ But there are two deeper problems: First, Estonia’s small size means that its national politics are often more like country courthouse politics in the United States than the more familiar national politics of other countries. What that means is that individuals, however they label themselves in terms of party, tend much of the time to come together on a personal rather than a party basis to make deals, advance particular programs, or even form governments.

Second, despite Estonia’s small size, running for office is remarkably expensive, with estimates of the cost of a parliamentary seat now being in the range of 1 million kroons, about US\$80,000, and of the presidency perhaps 10 times that. Such prices for admission mean that many Estonians suspect that those who have won office have done so only by becoming beholden to those of enormous wealth or power either within Estonia or beyond.⁵

In 2006, after more than a decade of being an importer of democratic values, Estonia became an “exporter” of these values to countries farther east. Most prominent are former Estonian prime minister Mart Laar serving as a key adviser to the government of the Republic of Georgia and Estonian forces participating in NATO-led operations in Afghanistan and Iraq. In addition, Estonians took an active interest in elections in the post-Soviet space. They attempted to observe the Belarusian vote but were prevented from doing so by the Lukashenka regime.⁶

But the most public face of the current state of play of national democratic governance in Estonia in 2006 concerned what many call the “battle of the monuments,” a set of long-running disputes between those who want to maintain Soviet-era monuments to the USSR’s victory in World War II and those who believe that such monuments represent an affront to the dignity of Estonia. Estonia was occupied for almost 50 years because of the Soviet victory in 1945, and those who oppose the Soviet monuments would like to erect monuments to those who resisted the Soviet occupation both alongside German forces and after the defeat of those forces by the Allies.

The largest dispute concerned the fate of the Soviet war memorial located in front of Estonia’s national library in Tallinn. Many Russians and some Estonians view this as holy ground, not only because of the monument, but because of the unmarked graves of Soviet soldiers there. But many Estonians view it as a mark of occupation and want it removed. Beginning in the spring and continuing throughout the summer and fall, both sides have pressed their case, forcing the authorities to guard the statue against vandalism—it was defaced several times—and raising questions that as of November 1 had not been resolved.

The fight over the statue in the center of Tallinn was exacerbated by the efforts of some Estonians to erect monuments to anti-Soviet fighters and led some Russians

to call for the creation of a “Russian national autonomy” within Estonia and a special commission to protect Soviet cemeteries and monuments in that country. The Estonian political elite was divided among those who believed that the Soviet monuments should be taken down, those who thought there was no alternative but to protect them, and those who argued that Soviet-era monuments should be “denatured” by erecting Estonian monuments around or next to them.

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

There were no local elections in Estonia in 2006, and the election of the president in the late summer and fall took place indirectly through the Parliament, where no candidate received the necessary two-thirds supermajority in the first three rounds of voting at the end of August, and then through a broader electoral assembly (which consists of the members of Parliament and regional officials), where Toomas Hendrik Ilves defeated Arnold Ruutel on September 24. Ilves took office on October 9.

As in earlier years, many Estonian commentators called for amending the country’s Constitution to allow for the direct popular election of the president, with one senior minister—Rein Lang—urging the wholesale redrafting of the Constitution now that Estonia is a member of the EU.⁷ If polls are to be believed, Ilves would have won a direct election, but many observers complained that the media were not balanced in their coverage of the election.⁸ One opposition politician even suggested that the election was not between Ruutel and Ilves, but between Ruutel and the media, which he said were entirely behind Ilves.⁹

Ilves’s election represents another step in the generational transition in Estonia. In March, former president Lennart Meri died after a long illness, and Ilves himself defeated Arnold Ruutel. Both Meri and Ruutel grew up in pre-1940 Estonia, lived through the Soviet occupation, and represented in their own persons the continuity of statehood that has been the keystone of Estonia’s national life. Ilves, in contrast, is 53, was born and grew up abroad, and came to Estonia in the 1990s to work as foreign minister, journalist, Social Democratic politician, and (most recently) member of the European Parliament. His rise to office means that Estonia now joins its two Baltic neighbors in having a president who had spent much of his or her life abroad.

In one respect, Ilves’s election represents the continuation of the Estonian national policies of the past, with their focus on problems arising from the Soviet occupation and on gaining security within Western institutions. Indeed, some have speculated privately that his election represented the last gasp of the prewar Estonian perspective. But others suggested just the opposite, noting that Ilves, unlike his two predecessors, has publicly and pointedly linked himself to a specific

political party, the Social Democrats, a tie that may change the dynamics of the relationship between Kadriorg and Toompea (the locations of the executive and Parliament, respectively) in the coming years, and that he has been concerned in all of his comments to talk about the future rather than focus on the past.

Civil Society

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

In his inaugural address, President Ilves pointed to the development of a strong and vibrant civil society as one of his and the country's most important goals.¹⁰ Over the past 15 years, Estonia has made dramatic progress in the development of a vigorous civil society. The government places few restrictions on the activities of NGOs. Measured by that yardstick, Estonia is, as a variety of international monitoring organizations report, one of the freest countries in the world. But three other aspects of Estonian public life, each of which was very much on public view in 2006, have limited the impact of that achievement.

First, Estonia's size—fewer than 1.4 million people—means that NGOs are often dependent on a single domestic supporter or on foreign assistance, thus undercutting the meaning of what would otherwise be a dynamic public space. In 2006, Estonian NGOs continued to struggle, with some playing a larger role in interacting with government and broader society but with many facing an uncertain economic future. Indeed, with the exception of some very, very small groups, such as the Animal Rights Protection League, there is no true NGO in the usual sense of one supported entirely by private and domestic sources.

Second, because of both their foreign links and the Soviet experience with government-operated NGOs (GONGOs), many older Estonians are uncertain even now of what role NGOs should play, although increasingly, younger Estonians view NGOs and other public groups more favorably.¹¹ According to research conducted by Tallinn sociologists, some Estonians view NGOs as unwelcome levers of foreign influence rather than as part of a genuinely Estonian civil society, and others are unsure of what their role should be alongside groups like churches and other social bodies that exist between the state and the individual. The Open Estonia Institute reported this year that civil society, as understood elsewhere remains relatively weak in Estonia, but such attitudes are changing. And President Ilves's championing of the ideas of civil society is likely to speed up that process.

Third, there is the continuing problem of the 16 percent of the population that includes either citizens of other countries or noncitizens. Of the 1.39 million residents of Estonia at the start of 2006, only 1.15 million were citizens of the country. Of the 234,000 others, approximately 98,000 were citizens of the Russian Federation or other foreign countries, leaving 136,000 were people without citizenship. That last figure declined by fewer than 5,000 in the course of 2006.

Most of these were Soviet citizens who moved to Estonia during the occupation and have not been either able or willing to qualify for Estonian citizenship.

Estonian authorities are proud that they have now naturalized more non-Estonians since 1992 than there are remaining noncitizens, but the more than 130,000 noncitizens remain a problem and one for which there is no quick solution. The Council of Europe and other international bodies continue to push for their more rapid inclusion, and their status remains a bone of contention with Moscow. But in 2006, the number of applicants for citizenship declined, prompting the Estonian prime minister to suggest that there will be fewer and fewer in the future.¹² Their future remains problematic: While the Estonian government has sought to reduce the barriers to naturalization, been more solicitous in helping noncitizens meet naturalization requirements, and allowed noncitizens to vote in local elections, there are growing indications that the number of noncitizens seeking naturalization may be declining after rising over the last decade.

The situation may become more explosive next year when Estonia implements tougher language requirements in secondary schools, a step that some Estonian commentators have warned could lead to a “Latvian scenario” in Estonia.¹³ But that may be more apocalyptic than the facts warrant: Polls suggest that most of the ethnic Russians in Estonia are more tolerant than the Estonians themselves, on this issue as well as on others. That in turn means that efforts by some in Moscow—or in Tallinn—to promote a “Russian national autonomy” in Estonia are almost certainly doomed to failure.¹⁴

One additional and worrisome development in the area of civil society concerns Estonia’s handling of Nazi and neo-Nazi activities. Estonia is currently one of the few countries in the world that does not keep statistics on hate crimes, a failing that allows both supporters and opponents of Estonia’s approach to make claims that may not be supported by reality. However, Estonia’s handling of one case this year led to a protest by the American ambassador and to a decision by the Wiesenthal Center to drop Estonia’s “anti-Fascist” grade from a D to an F, the worst rating possible.¹⁵ The decision of an American neo-Nazi to settle in Estonia has also attracted Russian media attention and the concerns of anti-Fascist activists.¹⁶

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

As has been true for most of the past decade, international media watchdogs rated Estonian media as among the freest in the world. Reporters Without Borders, for example, said that Estonia ranked 11th in the world and among the very highest in the post-Communist region. In terms of the absence of government regulation of the press, these ratings are entirely justified, but considering the situation of the media in Estonia more broadly, the picture is far more mixed.

Among the most positive developments in 2006 were the continuing ability of the media to operate free of direct governmental regulation, the rise of Russian-language editions of portions of the national press—*Eesti Paevaleht* joined *Postimees* in putting out a Russian-language edition of its daily paper—the appearance of a special series entitled *Remaining Russian* on the state television channel,¹⁷ and the continued growth of Internet use in what is already one of the most online countries in the world.¹⁸ All of this contributed to a lively press and helped to continue the process of integration of Estonia's ethnic Russian community.

But among the less positive developments were the Parliament's rejection of a bill that would have ensured better communication of government decisions to non-Estonian speakers, the appearance of the worst kind of yellow journalism in the run-up to the presidential vote in the early fall, and the inability of the print media to escape the dilemma of operations in a small media market (most papers are financed by readers, which makes prices high, or by owners, which makes a single editorial position likely, rather than by the bundled advertising typical of larger markets). Each of these deserves more attention than any have received in most evaluations of the Estonian media by international institutions.

The Estonian government faces an increasing problem in communicating with those Russians who have not yet learned Estonian. Most younger Estonians have chosen to learn English rather than Russian as their second language; consequently, Russians who speak only Russian are more isolated in some ways than before. Both because the number of people in this category are smaller—probably under 100,000—and because the Estonian government actively seeks to promote Estonian-language knowledge among them, Tallinn has been ever less supportive in providing Russian-language materials about Russian legislation and regulations.

In 2005, the Estonian government stopped publishing new laws in Russian, although it continued to issue them in Russian via the Internet and the new Russian-language editions partially made up for the decision to end publications. In the spring of 2006, the Estonian government decided to oppose spending more money on Russian-language releases of Estonian laws and regulations. As a result, ethnic Russians in Estonia who know only Russian are in a less favorable position today than they were a decade ago in finding out what the government in Tallinn is doing.

But an even more serious problem with the Estonian media is the quality of their coverage. Much of the press features the kind of reportage that would be labeled yellow journalism anywhere else. In the presidential campaign, the media gave extensive coverage to Russian reports that incumbent president Arnold Ruutel had an illegitimate child living in St. Petersburg and to a drunken party involving Ruutel's granddaughters at the presidential palace during his absence. The coverage was so biased and extreme that Ruutel's opponent in the presidential race, Toomas Hendrik Ilves, denounced the articles on these subjects, even though another Estonian politician, Edgar Savissar of the Center Party, argued that they were part of the media's tilt to Ilves.¹⁹

Yet a third problem concerns the consequences of Estonia's small market on its media outlets. Because the total Estonian audience is so small, Estonia's newspapers are financed not by bundled advertising, as in larger markets, but by readers, who must pay increasingly higher prices for papers and consequently are turning to electronic outlets, or by owners, often based outside Estonia, who many Estonians believe have their own agendas.

Exacerbating these problems is the following: Throughout 2006, there were frequent reports that Russian agencies were placing what one Estonian media commentator called "Red propaganda" in the newspapers by under-the-table payments of one kind or another. How accurate these reports are is a matter of some dispute, but their appearance undercuts the authority of the media with many readers.²⁰

Given the high prices of newspapers and journals, ever more Estonians are turning to television and radio and especially to the Internet. Estonian television has generally received better marks for its coverage of the news than the country's newspapers have, but its total news budget is relatively small. With regard to the Internet, Estonia, one of the most online countries on earth, now faces two serious problems: On the one hand, the ability of Estonians to move to other EU countries means that Estonia already faces a shortage of information technology personnel, estimated to rise to more than 1,000 such workers by the end of this decade. On the other hand, the country faces increasing problems with software piracy. According to some reports, more than a third of all software being used in Estonia today is pirated, a situation that the EU is likely to focus on in the year ahead.²¹

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

The year 2006 was disappointing for those involved in local government. Local elections at the end of 2005 (there were none in 2006) had led many Estonians outside the capital to think that their local governments would be given greater taxation authority and independence of action. That has not happened. Instead, local governments outside the major cities were forced to confront the problems arising from declines in the number of residents and a rapidly aging population. And while some in the regions were encouraged by the fact that the presidential election was resolved in the countrywide electoral college rather than by the increasingly Tallinn-centric Parliament, an ever larger percentage felt that the national government was either ignoring their needs or seeking to address them on a national rather than a regional or local basis.²²

This situation is likely to get worse. Ever more young people are fleeing rural areas to Tallinn or even abroad, leaving the countryside increasingly hollowed out, with a small number of aging residents. That reduces the political clout of these

areas in Tallinn, thus making it less likely that they will be able to extract more resources from the center. It also means that political competition in rural areas is likely to decline as fewer people take part in elections and political life. Last but not least, it creates a security problem for Estonia as a whole because of the “hollowing out” of much of that country’s territory.

Many countries around the world are living through a similar process, but for Estonia it is particularly striking, given the history of the country. Until a decade ago, the country’s most important newspapers were published not in Tallinn but in rural areas, its most important university was in Tartu and not in the capital city, and its people identified with rural areas even when they had to live in cities like Tallinn, where the jobs were. The decline of rural areas thus represents a national identity crisis.

But it also represents a crisis in local democratic governance. Local officials often look to Tallinn rather than local voters for guidance, a situation that has prompted ever more Estonians to take advantage of a quirk in Estonian tax law that may end by making the situation still worse. Local governments get back from Tallinn a certain percentage of the taxes paid by those registered as residents in their area. But Estonia’s tax code allows people to register at either their homes in rural areas or their apartments in the cities. Cities like Tallinn and Tartu have conducted campaigns to get people who own urban apartments to register there, something that has further reduced the funds local governments have. That may generate a backlash from rural areas eventually, but up to now it means that local governments have fewer resources to meet their responsibilities than before and thus are less able to win support from their constituencies.

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 record in this area during 2006 was decidedly mixed. On the one hand, the Estonian government intensified its efforts to improve the training of judges and to expand consultations between the judicial authorities and experts, efforts that won praise from the EU and the United Nations. On the other hand, conditions in Estonian prisons and especially the conditions of ethnic Russian prisoners remained unsatisfactory, a reflection of both the continuing shadow of Soviet-era practice and Estonian attitudes toward prisons and those incarcerated in them.²³

As noted previously, European institutions concluded that Estonia is overcoming problems in this sphere just as it is in others, and both academic specialists in criminal law and human rights activists in Estonia’s small NGO sector had more success in 2006 in consulting with the government than in the past. Consequently, both groups viewed 2006 as a breakthrough year, one in which Estonia finally turned an important corner in the operation of its judicial system.²⁴

But there was one area where there was little or no progress: the country's aging and often Dickensian prisons. The UN was one of several international bodies that expressed concern about the status of inmates and especially ethnic Russian inmates in Estonia's penitentiaries. While some of its language may reflect the status of the Russian Federation in that organization, the UN report made it clear that Estonia has a long way to go in this key area of building a strong civil society, something President Ilves has indicated is a matter of major concern to him.²⁵

Unfortunately, as a major sociological study by Iris Pettai showed, significant percentages of Estonians are unwilling to spend more on prisons, with many having what the Tallinn pollster describes as "a totalitarian attitude" toward prisoners: Because they are guilty of crimes, prisoners should not be coddled in any way. As a result, there is little support for improving conditions even in those places, such as the women's prison just west of Tallinn, where conditions are known to be especially atrocious.²⁶

Absent international and especially EU pressure in this area, Estonia still appears unwilling to act, but because of that pressure, ever more Estonian politicians and officials are asking what they can do without increasing public expenditures. One idea floated in 2006 was to turn over the operation of prisons to private companies, a step that would be consistent with Estonian policy in other spheres and with the actions of some other countries as well. At the end of 2006, however, it was unclear whether this idea had found much support within the political class.²⁷

One area of particular concern has to do with Estonia's difficulties in recruiting and retaining police and customs officials. Salaries remain extremely low, the fight against corruption is happily choking off the usual sources of income supplements, and many police functions have already been transferred into the hands of private security firms. But the result is that there are huge holes in Estonia's public security services, and absent a commitment to spend more money, it seems likely that these gaps will only increase in size in the year ahead.²⁸

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

Forbes, Moody's, and the U.S. State Department in 2006 all rated Estonia as one of the least corrupt countries, not only among those making the transition from communism, but among all states around the world.²⁹ But polls suggested that Estonians continued to believe their country is more corrupt than these outside evaluations suggest, a divergence that prompted the authors of one study prepared for the World Bank to conclude that corruption in Estonian businesses is at least 10 percent less troublesome than Estonians believe.³⁰

There are three major reasons Estonians continue to believe that their economic and political system is more corrupt than most international observers do. First

of all, Estonians are disposed to accentuate the negative over the positive and to focus on problems rather than achievements. Second, cases involving corruption and charges of corruption by one politician or another receive enormous and some might say disproportionate attention in the media, leading Estonians to conclude that their country faces a rising rather than declining level of corruption. Indeed, as Rasma Karklins and other students of the subject have noted, any fight against corruption tends to make people more sensitive to the issue of corruption, even when that fight is successful in reducing the amount of corruption.

Third—and in many ways this is the most important reason—Estonians include under “corruption” activities (such as covert Russian government influence in the media, the government, and the economy) that international studies of the problem tend to discount or ignore. (Most of them define corruption narrowly as “private profit from public position.”) The Estonian security police Kaitsepolitsei (KAPO) reported throughout 2006 about Russian efforts to penetrate and influence the Estonian media, Estonian firms, and even Estonian politics. That there are such efforts and that some of them have been successful is beyond question—the case of a Russian millionaire seeking to “buy” Estonian citizenship, for example, received prominent and convincing coverage in 2006—but on the often supercharged issue of Moscow’s influence in Estonia, it is not always possible to distinguish the fire from the smoke.³¹ And polls suggest that many Estonians are inclined to accept the charges as sufficient proof.³²

Given the nature of corruption itself—something that is typically hidden in whole or in part from public view—it is impossible to say which of these two contrasting views is correct. On the one hand, Estonia is clearly less corrupt than many other post-Communist countries because its government has consistently sought to eliminate regulatory institutions where corruption can most easily flourish. On the other hand, Estonia nonetheless has a corruption problem, not only because Estonians believe that it does, but because corruption and the fight against it are highlighting some serious problems with governance that the Estonian political system has not yet been willing to confront.

Three of those problems are worthy of note here: First, Estonia is a small country, and consequently, its various elites—political, economic, intellectual—overlap. Because these elites are so small, almost everyone in them knows everyone else. That means there are greater possibilities for corruption than in larger and more impersonal legal systems—or, at the very least, a basis among the media and the population for making that assumption. The ugly 2006 case of the head of the land development department who profited from his position by making deals with his friends in the political system was only the most prominent of these developments. Estonia has not yet addressed the problem of erecting barriers to corrupt relationships within such a tiny elite.³³

Second, Estonian prosecutors have convicted numerous low-level police and customs officials. A June 2006 case, for example, led to the conviction of more than 20 such line officers.³⁴ But as welcome as these convictions were, they revealed a fundamental problem that Estonia has yet to address: The salaries for such state

employees remain extremely low. In the past, at least some people joined these services because they knew they could supplement their salaries through corruption. But now without that opportunity, fewer are joining up and many are quitting outright. Such a development could produce a better class of officers if official salaries remain low. But so far, at least, those salaries remain so low that in many cases these services are very short staffed, something that may allow other kinds of criminal activity to flourish.

Third, Estonia has yet to devise a system for evaluating reports about covert Russian penetration of key Estonian institutions that does not exacerbate Estonian-Russian relations or allow Moscow to act inappropriately with impunity. At present, the Estonian political police KAPO routinely reports on Russian penetration. Other Estonian officials deny it. And the media play up both one and the other.³⁵

In some cases, Russian covert penetration is so large that Estonian political figures have concluded they cannot expose it lest it damage the image of their country in the West. But in others, they are reluctant to act, even in ways that any other state might, lest they offend those countries that often evaluate Estonia in terms of its ability to cooperate with Moscow. There may be no solution to this problem, but so far, at least, Estonians have generally avoided discussing it at all.

There was one very bright spot on the anticorruption front in Estonia in 2006: As part of its commitment to the war on terrorism, the Estonian government established a special commission to fight money laundering and the financing of terrorism. Initial indications are that it is having some success given the remarkable transparency of Estonia's banking system.³⁶

■ AUTHOR: PAUL A. GOBLE

Until December 2006, Paul A. Goble served as vice dean of social sciences and humanities at Audentes University in Tallinn and a senior research associate of the EuroCollege of the University of Tartu. A longtime specialist on ethnic and religious issues in Eurasia at the U.S. State Department, he is now preparing a book on Islam in the Russian Federation.

¹ *ME Sreda*, August 2, 2006.

² *Postimees*, April 5, 2006.

³ Estonian television, November 20, 2006.

⁴ *Eesti Päevaleht*, April 11, 2006.

⁵ Baltic News Service, November 8, 2006.

⁶ *Eesti Päevaleht*, March 19, 2006.

- 7 Delfi Internet portal, October 19, 2006.
- 8 *Postimees*, August 27, 2006.
- 9 Estonian television, September 19, 2006.
- 10 *Postimees* and *Eesti Päevaleht*, October 10, 2006.
- 11 *Postimees*, March 20, 2006.
- 12 *Päevaleht*, December 27, 2006; and Estonian television, August 12, 2006.
- 13 *Molodezh Estonii*, February 5, 2006.
- 14 *Ibid.*, March 19, 2006.
- 15 Baltic News Service, April 17, 2006; *Vesti*, April 21, 2006; and *Postimees*, January 28, 2006.
- 16 *Eesti Ekspress*, November 2, 2006.
- 17 Baltic News Service, July 3, 2006.
- 18 *Postimees*, May 28, 2006; and Delfi Internet portal, July 5, 2006.
- 19 *Eesti Päevaleht*, September 26, 2006.
- 20 *Eesti Päevaleht*, April 4, 2006.
- 21 *Postimees*, May 18, 2006.
- 22 *Eesti Ekspress*, August 9, 2006. Cf. comments by Marju Lauristin in *Postimees*, June 2, 2006.
- 23 Baltic News Service, December 6, 2006; *Eesti Päevaleht*, February 15, 2006; and *Postimees*, August 28, 2006.
- 24 *Postimees*, March 18, 2006.
- 25 *Postimees* and *Eesti Päevaleht*, October 10, 2006.
- 26 *Eesti Päevaleht*, February 15, 2006.
- 27 *Postimees*, April 18, 2006.
- 28 *Eesti Päevaleht*, February 21, 2006; *Eesti Päevaleht*, April 11, 2006; and Baltic News Service, October 10, 2006.
- 29 *Aripaev*, February 5, 2006; and *The Economist*, November 20, 2006.
- 30 Estonian television, August 2, 2006.
- 31 *Eesti Päevaleht*, April 4, 2006.
- 32 *Postimees*, June 6, 2006.
- 33 *Eesti Päevaleht*, February 15, 2006.
- 34 *Ibid.*, April 24, 2006.
- 35 *Ibid.*, April 4, 2006.
- 36 *Delovoi Vesti*, November 29, 2006.

