Estonia

By Vello Peltai and Pille Ivask

Capital: Tallinn
Population: 1.3 million
GNI/capita, PPP: $27,490

Source: World Bank World Development Indicators.

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>National Democratic Governance</td>
<td>2.25</td>
<td>2.25</td>
<td>2.25</td>
<td>2.25</td>
<td>2.25</td>
<td>2.25</td>
<td>2.25</td>
<td>2.25</td>
<td>2.25</td>
<td>2.00</td>
</tr>
<tr>
<td>Electoral Process</td>
<td>1.50</td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
</tr>
<tr>
<td>Civil Society</td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
</tr>
<tr>
<td>Independent Media</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
</tr>
<tr>
<td>Local Democratic Governance</td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
<td>2.25</td>
</tr>
<tr>
<td>Judicial Framework and Independence</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
</tr>
<tr>
<td>Corruption</td>
<td>2.50</td>
<td>2.50</td>
<td>2.25</td>
<td>2.25</td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
<td>2.25</td>
</tr>
<tr>
<td><strong>Democracy Score</strong></td>
<td><strong>1.93</strong></td>
<td><strong>1.96</strong></td>
<td><strong>1.93</strong></td>
<td><strong>1.93</strong></td>
<td><strong>1.96</strong></td>
<td><strong>1.96</strong></td>
<td><strong>1.96</strong></td>
<td><strong>1.93</strong></td>
<td><strong>1.93</strong></td>
<td><strong>1.82</strong></td>
</tr>
</tbody>
</table>

NOTE: The ratings reflect the consensus of Freedom House, its academic advisers, and the author(s) of this report. If consensus cannot be reached, Freedom House is responsible for the final ratings. 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. The opinions expressed in this report are those of the author(s).
EXECUTIVE SUMMARY

Estonia took a major step toward streamlining its local democratic governance in 2017 by successfully carrying out a large-scale merger of dozens of local governments, and then crystalizing these reforms with fresh local elections in October. These transformations ended more than a decade of indecision on the matter, and were achieved despite a sudden change of government and a succession of three different ministers responsible for the reform.

The effective implementation of local government reform was a feather in the cap for the new center-left coalition of Prime Minister Jüri Ratas, who assumed power in November 2016. The government had been under pressure to prove itself not only for its unprecedented coalition between the left-leaning Center Party, the Social Democrats, and the right-wing Pro Patria and Res Publica Union but also because this was Center Party’s first time leading a government since 1992. Speculations that Estonia would take a hard turn to the left dissipated when the government insisted it would stick to the country’s staunch pro-Western foreign policy. However, the government did initiate a number of tax reforms and social policies aimed at reeling back some of the pro-market liberalism that has reigned in Estonia since the 1990s.

Ratas scored an additional victory during the local elections in October when his Center Party netted over 27 percent of the combined vote. In particular, Ratas was able to keep his party unified, even when its former chairman and suspended mayor of the capital Tallinn, Edgar Savisaar, formed a rival electoral alliance in an attempt to make a political comeback. In the end, Ratas came away in firm control of both his party and the national government. The elections were also a disappointment for other political parties hoping to end the Center Party’s absolute majority in the Tallinn city council. The new mayor, Taavi Aas, tried to alleviate the impression that continued one-party rule would perpetuate wide-scale party patrimonialism in the city government. However, the party remained fairly entrenched in the capital.

Edgar Savisaar’s political demise was further confirmed by the beginning of his long-awaited trial on corruption charges. During the proceedings, prosecutors laid out a number of allegations of Savisaar taking bribes or other favors in exchange for influencing municipal decisions as mayor of Tallinn. Corruption was likewise an issue in Tartu, Estonia’s second-largest city, where two deputy mayors resigned after being placed under investigation for possible bribery.

While levels of trust in the ability of prosecutors and judges to deal with these cases remained positive, the populist right-wing Conservative People’s Party aggressively called for judges to be fired following an appellate decision to register Estonia’s first same-sex marriage. President Kersti Kaljulaid and Justice Minister Urmas Reinsalu condemned the party’s views as an assault on judicial autonomy. However, the party continued its call for judges and prosecutors to be elected by the people and not appointed by the judiciary itself.

Score Changes:

- **National Democratic Governance rating improved from 2.25 to 2.00** due to the demonstrated resilience and impartiality of national institutions, as well as respect for institutions by all major stakeholders, after the change of government in November 2016.
- **Local Democratic Governance rating improved from 2.50 to 2.25** due to the completion of complex administrative-territorial reforms, including the first local elections held under the new system.
- **Corruption rating improved from 2.50 to 2.25** due to the prosecution of a significant number of high-level corruption cases, including representatives from various parties, in a timely manner.

As a result, Estonia’s Democracy Score improved from 1.93 to 1.82.
Outlook for 2018: Estonia is set to have an auspicious year, if only because it will be celebrating the centenary of its February 1918 proclamation of independence with an assortment of cultural and historical events. Although political debates will surely continue, the current governing coalition is likely to last until the next parliamentary elections in March 2019.

However, the government will face challenges completing the broader administrative reform that began in 2016. In particular, it will need to finalize the related competencies and financial framework across national and local governments. This total redesign of government includes not only administrative relationships but also ideas about how to reinforce local government participation and democracy. The performance of local government coalitions after the October 2017 elections—especially in newly formed municipalities—will be a key test of how well local democracy has survived the reform. Civil society will also be affected, as new funding programs and partnerships will need to be worked out in the new local governments, especially for those nongovernmental organizations heavily linked to service provision.

At the national level, the coalition will cope with continued budgetary pressures, partly due to tax reforms enacted in 2017 and promises the national government made to new local governments about additional funding to get their operations up and running.

Within the ranks of the opposition, the Reform Party will elect a new leader in April, following a surprise announcement in late 2017 by party chief Hanno Pevkur that he will step down. The favorite to succeed him is a party member in the European Parliament, Kaja Kallas. If appointed, Kallas would become the first woman to head the Reform Party. She would also become its de facto candidate for prime minister ahead of parliamentary elections in March 2019.
**MAIN REPORT**

National Democratic Governance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.25</td>
<td>2.25</td>
<td>2.25</td>
<td>2.25</td>
<td>2.25</td>
<td>2.25</td>
<td>2.25</td>
<td>2.25</td>
<td>2.25</td>
<td>2.00</td>
</tr>
</tbody>
</table>

- After undergoing a political makeover at the end of 2016, Estonia entered the new year with some trepidation over its national governance. The appointment of a new government headed for the first time in more than 25 years by the left-leaning Center Party represented a test for the country’s political institutions and their ability to cope with a party that had long been sidelined in Estonian politics. Moreover, the new governing coalition included not only the left-of-center Social Democratic Party (SDE) but also the conservative Pro Patria and Res Publica Union (PPRPU), which had vilified the Center Party for espousing better relations with Russia and having been equivocal in 2004 about Estonia joining the European Union (EU). The precarious nature of the coalition led to a number of tense negotiations and contorted policy compromises, prompting many to believe that the coalition would not last long. Yet, by the end of 2017, Prime Minister Jüri Ratas seemed more secure in his job than ever, to the point that the main opposition force, the liberal Reform Party, acknowledged it would have to wait until the next parliamentary elections in 2019 before it could try to regain power.1

- The Center Party returned to government only after its own internal change of power. In October 2016, Ratas ousted the Center Party’s founding leader, Edgar Savisaar, who had already been suspended for a year from his duties as mayor of the capital Tallinn due to a corruption investigation. This change in leadership opened the door for the Center Party to reenter mainstream politics and even lead the government, after Ratas was able to strike a deal with the SDE and the PPRPU to topple the previous Reform Party government led by Taavi Rõivas.

- Ratas’s new coalition immediately proclaimed that, irrespective of the Center Party’s previous stances (including a still-in-force cooperation agreement with Vladimir Putin’s United Russia party), it would remain true to Estonia’s pro-Western security and defense policy.2 This was particularly important as Estonia approached its six-month presidency of the EU during the second half of the year. The importance of stressing Estonia’s commitment to Western institutions became evident in May, when Mihhail Korb—the special minister responsible for overseeing local government reform—was asked to resign for raising personal doubts as to whether Estonia should have joined NATO at a gathering of war veterans.3 During its EU presidency, Estonia used its one high-level summit meeting in Tallinn to promote its best-known policy area, e-government and digitization.4 In October, the government signaled its enthusiasm for digitization by signing a bilateral agreement with Luxembourg for the creation of the world’s first electronic data embassy, or server arrangement. The data embassy would store up-to-date copies of Estonia’s most important state registries should the need ever arise for a reboot of Estonia’s administration due to a cyberattack, natural disaster, or other calamity.5

- In terms of domestic policy, the new Ratas government enacted a number of important changes, most notably a rise in the basic income tax exemption from 180 to 500 euros per month, as well as phasing out the exemption for individuals making more than 2,100 euros a month.6 This represented a partial fulfillment of the Center Party’s long-standing call to make Estonia’s flat-rate income tax system more progressive. In terms of social policy, the government increased monthly child allowances for families with three or more children, and promised to make state pensions more even and less determined by previous income levels.7 Additionally, under the aegis of the Social Democrats, the government continued to take aim at alcohol consumption by passing a limited increase in excise taxes on beer and other spirits.8 At the same time, an SDE proposal to tax soft drinks and other sugary beverages was vetoed by the PPRPU.9

- The Center Party was unable to get its new partners to agree to major changes on citizenship and minority language policy. However, the government did announce new infrastructure
investment for northeast Estonia—where half of the country’s Russian-speaking population lives—including the construction of a new training campus in Narva for Estonia’s police, customs, and rescue services academy.\(^\text{10}\) It also pledged to create special Estonian language centers in Narva and Tallinn, where people could register for free Estonian language classes.

- Thanks to these compromises, the coalition was able to keep its weakest partner, the PPRPU, from losing too much face while still being in a largely center-left government. During the first half of 2017, the PPRPU went through a difficult leadership crisis when its chair, Margus Tsahkna, was unable to get support within his ranks for certain changes to the party’s statutes. Tsahkna then gave up the leadership and even resigned from the party, and was replaced by former agricultural minister Helir-Valdor Seeder. By midyear, public opinion polls showed that the PPRPU was no longer reaching Estonia’s 5-percent electoral threshold, and doubts began to surface as to whether it had a long-term future.\(^\text{11}\) However, the party assuaged concerns after rebounding in the municipal elections in October.

### Electoral Process

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1.50</td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
</tr>
</tbody>
</table>

- Estonia’s elections have been considered free and fair for more than two decades. Its electoral laws have functioned well, electoral authorities are impartial, and campaigning has been conducted generally with equal opportunity. Estonia has become one of the world’s leaders in internet voting, with more than a third of all votes now being cast online. Still, overall political participation has remained problematic given Estonia’s sizeable noncitizen population. Currently 6.6 percent of Estonia’s residents are Russian Federation citizens, and 5.9 percent have no citizenship because of a special citizenship policy Estonia enacted after re-independence in 1991.\(^\text{12}\) While these residents can vote in local elections, they cannot participate in national (parliamentary) elections. Moreover, because the overwhelming majority of these people are ethnic Russian, this issue continues to cast a shadow over the degree to which Estonia’s ethnic Russian minority as a whole participates in politics.

- Estonia’s municipal elections in 2017 constituted a political milestone for a number of reasons. The municipal landscape was radically changed after yearlong reforms reduced the number of local governments by nearly two-thirds. As a result, parties had to rethink their electoral strategies, and voters also had to devise how best to make their vote count. While in many places parties were able to realign their candidates along the new boundaries, in others politicians sought to form more novel groupings and relied on a special provision in Estonia’s local election law that allows citizen electoral alliances to field candidates.

- In the end, this first test of Estonia’s new local government structure was partly successful. Compared to the last local elections in 2013, citizen alliances were more active (with nearly 40 percent of the candidates) as well as more popular (attracting 26.8 percent of the nationwide vote).\(^\text{13}\) However, overall electoral turnout declined from 58 percent to 53.4 percent,\(^\text{14}\) suggesting that the new local government configuration may have confused some voters, who subsequently decided to stay home. The low voter participation rate was also a surprise given that, for the first time, 16- and 17-year-olds were allowed to vote.\(^\text{15}\)

- Another landmark for Estonia’s electoral process came via a new, record-setting use of internet-based voting. Some 186,034 votes were cast online, representing 31.9 percent of overall votes, exceeding the previous 2015 total by nearly 10,000 e-votes.\(^\text{16}\) Estonians’ confidence in their 12-year-old e-voting system remained robust despite an announcement in early September that a security risk had been identified related to more than half of all ID cards issued in the country. During a news conference chaired by the prime minister himself, officials explained that computer scientists had discovered vulnerability in the encryption system programmed into a certain series of smart chips used for the ID cards. The officials insisted that the probability of someone stealing another person’s identity via this security risk was remote.\(^\text{17}\) However, the
revelation prompted Estonia’s electoral authorities to consider suspending internet voting for the upcoming local elections. In early November, officials decided to suspend defective cards, forcing tens of thousands of people to obtain new cards or renew their security certification. This process, however, was completed by year’s end, and no other problems with Estonia’s e-government services or the security of internet elections were reported.

- The final milestone concerned the Center Party’s ability to retain an absolute majority in the Tallinn city council. The result was eagerly awaited after four years of one-party control in the capital had led to numerous corruption scandals and accusations of misuse of municipal resources. In particular, disproportionate coverage of the party in municipal media (including several city-financed newspapers as well as a local TV station) raised questions about whether all parties were being given equal access to these public resources. The Center Party was able to deflect these concerns, pointing instead to continued economic growth in the city and the completion of numerous infrastructure projects. The party retained sole control in the city council with 40 seats out of 79.

- A second threat to the Center Party’s control in the capital came from its former chairman, Edgar Savisaar, who decided to field his own list of candidates. However, Savisaar’s list garnered just 4.5 percent of the vote, which was only enough to get himself elected to the council. In other areas of the country, established voting patterns were similarly put to the test, especially where local government reform had brought together municipalities that previously had different political leanings. However, in the major cities of Tartu, Narva, and Pärnu, no significant political shifts took place. The right-wing populist Estonian Conservative People’s Party attracted just 6.7 percent of the national vote, remaining behind the mainstream conservative PPRPU, which received 8 percent.

### Civil Society

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
<td>1.75</td>
</tr>
</tbody>
</table>

- Civil society in Estonia remained vibrant in 2017. There were over 32,000 registered nonprofit organizations and some 800 nonprofit foundations. Roughly 40 percent of nongovernmental organizations (NGOs) were cooperatives focused on managing apartment buildings or housing communities, while nearly 7,000 were involved in the arts or entertainment, 1,800 in education, and 860 in health and social welfare.

- One area of concern for civil society activists remains the level of NGO dependence on public funds. Some NGOs rely entirely on income from service provision contracts with local governments within their sphere of activity. While these kinds of relationships demonstrate that NGOs can often work together with government, they can also make it more difficult for civil society organizations to be critical of government policy.

- Among notable civil society events in 2017, Tallinn was the location in July for the Baltic Pride festival. The event included film screenings, a creative writing workshop, an academic conference, and a special tour of the capital recounting the history of the local LGBT community. The customary pride parade through downtown took place without incident and this time attracted a record number of participants, some 1,800 according to organizers.

- One particular worry for LGBT activists is the government’s continued failure to adopt implementation rules following the landmark passage of a same-sex partnership law in 2014. Within the new governing coalition, the conservative Pro Patria and Res Publica Union opposed the law and vetoed any discussion of further regulations, including allowing same-sex couples to adopt children. Additional pressure was put on the coalition in October when the far-right Conservative People’s Party introduced a bill in parliament to rescind the partnership act altogether. Both the PPRPU and MPs from the prime minister’s Center Party were tempted to allow the proposal to be at least debated in committee; however, the coalition’s third partner, the Social Democratic Party, threatened to bring down the government if its partners toyed with
this idea. Meanwhile, several dozen same-sex couples have been successful in registering their cohabitation agreements with notaries as well as forcing other legal details through the courts. One Estonian woman took immigration authorities to court when they refused to grant her same-sex partner a spousal residency permit from a marriage registered in the United States.

- As of December 2017, Estonia had resettled 175 refugees as part of its commitment to accept 550 from refugee camps in Italy, Greece, and Turkey. The resettlement process has been slow because of administrative checks and other procedures. However, it was also becoming increasingly apparent that refugees relocated to Estonia were not necessarily interested in staying in the country. In July, government officials reported that more than half of the refugees had left Estonia, even though they would not be eligible for benefits in other EU countries.

- While the integration process of those remaining in Estonia continued apace, public attention was drawn to two incidents in which refugees were accused of domestic violence: a Syrian woman badly burned by her husband in March, and the conviction in November of another Syrian man in a similar abuse case. While one conservative MP called for Estonia’s resettlement process to be suspended, claiming that the program’s screening procedures were clearly not working, the government remained confident in its existing policy.

- Estonia’s yearly Opinion Festival in the town of Paide attracted more than 9,000 participants and over 160 discussion groups. Alongside political, social, and economic issues, the festival also featured for the first time a panel of children discussing computer addiction. Former Finnish president Tarja Halonen also presented on the future of the European Union. The two-day-long festival has become a major meeting point for civil society activists from a diversity of fields.

### Independent Media

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
</tr>
</tbody>
</table>

- Estonian media are legally protected and largely free of overt political influence. Journalists are uninhibited in their work, and libel laws are in place that have been tested in court. Estonia’s Press Council reviews about 75 complaints per year lodged by individuals against journalists for material that has appeared in either print or electronic media. Recent corporate consolidation, however, has led to increased commercialization and undeclared advertising appearing on television broadcasts and online portals.

- Estonia’s media landscape has consolidated around two main companies. Ekspress Grupp operates mostly print and online media, controlling the daily newspaper Eesti Päevaleht, the daily tabloid Õhtuleht, the weeklies Maaleht and Eesti Ekspress, and the online news portal Delfi. Meanwhile, Eesti Meedia also runs print media such as the largest circulation daily Postimees and a series of county newspapers, as well as TV station Kana, the popular radio stations Kuku and Elmar, and BNS news agency. Ekspress Grupp was the first to merge various media outlets in 2015. Eesti Meedia followed suit during the first half of 2017 by merging its subsidiaries. A few other publications, such as the business daily Äripäev, are owned independently.

- Since 2006, the city of Tallinn has also developed a wide-ranging media presence, starting with a weekly informational newspaper in two languages (Pealinn/Stolitsa), as well as a daylong TV channel. While both outlets have been criticized for serving as a mouthpiece for the Center Party and its city government, this media strategy will likely continue following the party’s victory in the October elections. In particular, the Russian-language newspaper Stolitsa (also distributed widely outside the capital) has become an important informational conduit ever since Eesti Meedia decided in late 2016 to shut down its newspaper Postimees na russkom yazyke (Postimees in Russian). The regional newspaper Põhjarannik appears in both Estonian and Russian but is limited to northeast Estonia.
Media conglomerates have increasingly been accused\textsuperscript{34} of engaging in content marketing or producing material meant to promote certain brands or products without designating it as advertising. In January, the Estonian national broadcaster ERR reported that one of its commercial competitors, TV3, was actively selling time on its nightly news program for promotional purposes.\textsuperscript{35} In its report, ERR showed excerpts of what was essentially a TV3 price list for such services. After a seven-month investigation, Estonia’s communications oversight authority fined TV3 6,000 euros ($7,050) for violating broadcasting regulations, and the television station promised to be more careful with its reporting.

A similar controversy erupted in April after Eesti Meedia completed its merger of subsidiary outlets. One of its first changes was to encourage reporters working for the internet portal of its daily newspaper Postimees to write more articles covering programs broadcast by the group’s television station Kanal2. Journalists across the newspaper sent management an unprecedented protest letter denouncing the intrusion into their editorial autonomy.\textsuperscript{36} While Eesti Meedia’s management initially backed down, the company was later accused of blurring the lines again when it launched a special section on the Postimees website devoted to interior design. On those pages, the portal tended to publish articles promoting apartments and houses that were simultaneously advertised on Eesti Meedia’s real estate portal KV.\textsuperscript{37} In September, the head of programming for the portal and a long-time journalist, Hanno Tomberg, resigned.

On the whole, these developments were not seen as a direct threat to media freedom, but they did suggest a new era of stronger commercialization of the sector that could affect journalistic quality. Even Estonia’s national broadcaster ERR was the subject of criticism when a State Auditor’s report raised concerns about cooperation agreements between ERR and external partners to produce certain kinds of programming.\textsuperscript{38} While most of these agreements were with other Estonian government offices or the UN High Commissioner for Refugees, for example, the practice highlighted the state broadcaster’s reliance on project-based funding in order to make ends meet.

### Local Democratic Governance

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
<td>2.25</td>
</tr>
</tbody>
</table>

Estonia’s local democratic governance underwent a major transformation in 2017 when, after nearly two decades of debate and indecision, the government finally implemented wide-ranging reforms that slashed the number of local governments from 213 to 79.\textsuperscript{39} Local elections in October were organized according to these new boundaries. By the end of 2017, all of Estonia’s local governments began settling into their new configurations.

The reform of Estonia’s local government structure was a response to declining populations in rural areas as well as the reduced demand for administrative personnel with the expansion of e-government services. In June 2016, the government of former prime minister Rõivas succeeded in passing framework legislation to begin negotiating large-scale mergers among local governments. In some cases, such as Estonia’s largest island, Saaremaa, up to 12 local governments were merged into a single administration. Despite having earlier criticized the reform, Prime Minister Jüri Ratas accepted political responsibility for carrying out the policy and appointed Mihhail Korb as special minister for administrative reform. Korb helped mediate the final negotiations between some of the more recalcitrant local governments, although he was forced to resign in May following comments he made questioning Estonia’s NATO membership that attracted criticism in the media.\textsuperscript{40}

With the clock ticking to finalize the list of new local governments before the October elections, the change in leadership added one more complication to an otherwise delicate political process. In mid-June, Ratas’s cabinet convened one last time to review the most difficult outstanding mergers. In what was seen as an openly political move, the cabinet decided to grant an exception to one Center Party–controlled northeastern town, Loksa, which would not have to merge with
the surrounding local government of Kuusalu in order to reach the 5,000-inhabitant minimum set by the reform. Upon hearing this, many of the other holdout municipalities cried foul and submitted petitions to the Estonian Supreme Court demanding that they also be granted exceptions. The court deliberated the appeals in September but did not release its initial decisions until just two days before the local elections. In all four cases, the court ruled that the government had properly weighed the pros and cons of its decisions and that final authority lay with the central government.41 A number of petitions were also dismissed after the elections.42

• The reform also reexamined the balance of power between the central administration and local governments. One argument in favor of having larger government units had been to empower these authorities with more responsibility and financial resources. As an initial step, the government agreed to change the income tax policy, allowing municipalities to keep a greater share of their local revenues.43 However, a broader reform had yet to be agreed upon by year’s end.

• Additionally, in early 2017 the government decided that Estonia’s second level of local government, country administrations, would be entirely abolished as of 1 January 2018, although many experts had advised against doing this too quickly. As a result, many regional oversight tasks previously carried out by county governors and their officials would also need to be redistributed between national and municipal levels.

Judicial Framework and Independence

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Value</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
<td>1.50</td>
</tr>
</tbody>
</table>

• Estonia’s judicial independence remained strong in 2017. There is a three-tiered structure of courts with more than 230 judges and justices hearing over 70,000 cases or other procedures per year in relation to administrative, criminal, and civil law as well as handling misdemeanors.44 A serious backlog in the adjudication of court cases during the mid-2000s (particularly on civil matters) has almost disappeared.45 The 2017 EU Justice Scoreboard ranks Estonia above average for a range of judicial performance indicators, including length of proceedings and clearance rates.46

• Estonia has above-average levels of judicial independence according to a survey of European judges.47 Of the 82 Estonian judges surveyed by the European Network of Councils for the Judiciary, 93 percent said they had not been under any inappropriate pressure when making judicial decisions in the last two years. Likewise, nearly 90 percent said they had not been threatened by any action because of how they decided a case. Some 80 percent of judges surveyed said they were sure their colleagues had not accepted any bribes in favor of certain judicial decisions, compared to less than 20 percent in Latvia and 50 percent in Lithuania. In terms of recruitment, more than 70 percent of respondents believed that judges were appointed on the basis of their ability and experience. This figure fell below 60 percent when judges were asked about promotion procedures. However, this was still well above the European average of just 40 percent.

• A more serious area of concern for Estonian judges was their sense of independence vis-à-vis the media, the government, and politicians more broadly. Fewer than 50 percent of judges believed that the media respected their independence, and barely 30 percent felt happy about how they were treated on social media. However, only a small minority (fewer than 20 percent) believed that judges actually had made decisions based on media pressure. Well over half of the judges surveyed felt confident about the government and parliament accepting their independence. Still, a noteworthy proportion (20–30 percent) expressed concern over relations between judges and politicians.

• One source of concern was a particularly strong confrontation in March 2017 when members of the right-wing populist Conservative People’s Party (CPP) openly attacked judges for their recent decisions. The implementation of Estonia’s 2015 same-sex marriage law has been slow
owing to a lack of enabling regulations. Yet, a number of same-sex couples have been pushing the law’s boundaries through court action (see “Civil Society”). In March, the CPP’s parliamentary group asked Justice Minister Urmas Reinsalu during question time in the chamber to clarify one such ruling concerning legal recognition in Estonia of a same-sex marriage performed in Sweden. As a member of the conservative PPRPU, Reinsalu implicitly agreed with the CPP’s objection to codifying same-sex marriage in Estonia. However, he noted the complications of international law in this instance and the fact that the court had simply followed the broader signal given by Estonia’s adoption of a legal partnership law. He said that if legislators were unhappy with how judges were interpreting the law, they should clarify their will through law. In any case, debate over these rulings, argued the minister, should not lead to judges feeling threatened in how they make their decisions. “But I do want a threat to be heard from this rostrum,” declared the head of the CPP parliamentary group, Martin Helme. “I want [these judges’] heads to roll.”

- In the days that followed Helme’s outburst, both the supreme court chief justice and President Kersti Kaljulaid condemned this attack on judicial independence. Helme defended himself, saying that his words were not meant as a physical threat but, rather, he believed the judges should somehow be fired for what they did. His party also issued a declaration accusing judges of usurping legislative power and calling for both judges and prosecutors to be elected in the future.

### Corruption

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2.50</td>
<td>2.50</td>
<td>2.25</td>
<td>2.25</td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
<td>2.50</td>
<td>2.25</td>
</tr>
</tbody>
</table>

- Estonia has a good reputation for low prevalence of corruption as well as a strong legal system to investigate and prosecute abuse. A 2016 survey showed that awareness of what constitutes corruption has steadily improved among civil servants, business people, and the public at large. On the other hand, observers have noted that Estonia has had few reforms over the last several years to further promote transparency, hinting that the country may be stagnating in this domain. In 2017, a number of major corruption trials continued, and prosecutors brought new cases of fraud and bribery, particularly at the local government level.
- In June, one of the most awaited corruption trials began against the former mayor of Tallinn and Center Party leader, Edgar Savisaar. Along with two other former city officials and five businessmen, Savisaar was accused of a series of bribery schemes, some dating back more than five years. In one incident, Savisaar allegedly agreed to hold an international urban-development conference in a hotel owned by an old friend in exchange for a free trip to Spain. In another accusation, Savisaar was said to have discussed accepting a bribe in return for clearing a building permit, while in yet another he supposedly took a bribe from a major construction company in order to accept that company’s bid in a municipal tender. Delayed by Savisaar’s medical issues and the voluminous allegations presented by the prosecution, the trial continued into 2018.
- A second important corruption case from 2015 also proceeded slowly in 2017. The case concerned two former directors of the Port of Tallinn accused of systematically accepting bribes and money laundering over a period of more than 10 years. Allan Kiil and Ain Kaljurand were formally charged in September with multiple counts of extracting kickbacks and other favors from companies seeking to do business with the port. In the most egregious accusation, Kiil allegedly demanded three and a half million euros of bribes as part of a process to decide which international shipbuilder would be contracted to furnish new ferries to Estonian islands. Alongside Kiil and Kaljurand, seven other individuals were indicted as accomplices, with some having helped launder the bribes that the two chief executives had been pocketing. A number of other individuals turned state’s evidence in exchange for lesser sentences.
• Despite their slow progress through the court system, there was general confidence in the ability of law enforcement to see these cases through to fruition.\textsuperscript{56} In addition to the prosecutors’ work, Estonia’s Internal Security Service (or KaPo) also played a key role in gathering undercover evidence and conducting surveillance operations. Court proceedings revealed that Estonian authorities had even asked Spanish colleagues to tail Edgar Savisaar during his alleged bribery-linked vacation in Spain as well as Swiss officials to provide bank information showing Savisaar’s laundering of illicit payments.\textsuperscript{57}

• All of these coordinated practices helped to bring down another of Savisaar’s close associates in May 2017, when the prosecutor’s office announced it had placed Arvo Sarapuu, a deputy mayor of Tallinn, under investigation for conspiracy.\textsuperscript{58} According to the prosecutor’s allegations, Sarapuu had first used his power as manager for municipal trash collection to steer a city contract to a company operated by his son-in-law. Later, he had allegedly delayed imposing sanctions on the company when it became obvious it was failing to provide adequate services. Within a few hours of the prosecutor’s announcement, the 64-year-old Sarapuu resigned from office; since this was not his first corruption scandal, Sarapuu declared he was leaving politics for good.

• Corruption charges also rocked Estonia’s second-largest city, Tartu. Shortly after the October local elections, police raided the city hall and temporarily detained two deputy mayors, Valvo Semilarski and Artjom Suvorov. The officials were apparently being investigated for taking bribes either for steering city contracts to specific companies or promising financial help to certain organizations.\textsuperscript{59} The mayor of Tartu, Urmas Klaas, immediately demanded that the deputy mayors resign. However, the incident cast a shadow over Klaas’s strong victory in the elections, in particular because one of the officials was from his own party.

AUTHORS: Vello Pettai is Professor of Comparative Politics at the University of Tartu; Pille Ivask is a journalist for the business daily Äripäev.


\textsuperscript{9} “Koalitsioon jõudis eelarves kokkuleppele, suhkrumaksu ei tule” [Coalition reached agreement on budget, no sugar levy], ERR News, 14 September 2017, http://www.err.ee/618644/koalitsioon-joudis-eeharves-kokkuleppele-suhkrumaksu-ei-tule


11
langus-oli-tallinnas?id=79837614
16 Elisabeth Kungla, “E-hääletusest vottis osa 186 034 hääletajat” [186 034 voters took part in the e-voting], Postimees Online, 11 October 2017, https://politiika.postimees.ee/4273141/e-haalutest-vottis-osa-186-034-
haaletajat
18 “ERJK ja riigikontroll seiravad valimiste eel omavalitsustage jaalehti” [The ERJK and the national audit office monitor the municipal newspapers before the election], ERR News, 8 November 2017, http://www.err.ee/612346/erj-ja-riigikontroll-seiravad-valimiste-eel-omavalitustage-jaalehti
23 Karin Koppel, Tiina Jaakson, “Enamik fraktstoone ei kiirusta koosoleuseduse osas ühtset seisukohta võtmata” [Most of the political groups are not in a hurry to adopt a common position on family law], ERR News, 3 October 2017, http://www.err.ee/633785/enamik-frakstoone-ekki-tiirusta-koosoleuseduse-osas-uhset-seisukohta-
votma
kohtuaidlust-ja-kasvav-toetus-samasooliste-abielule?id=79725892
25 Vahur Koorits, “Eestisse on kahe aasta jooksul elama jäänud 88 kvoodipagulast, nüüd võetakse kahe aasta jooksul sama palju juurde” [88 quota refugees have remained in Estonia after two years], and now the same amount will be added over another two years] Delfi, 17 December 2017, http://www.delfi.ee/news/paevaudised/eesti/eestisse-kohe-aasta-jooksul-eama-jaanud-88-koovidipagulaste-
nuud-votakse-kahe-aasta-sama-palju-juurde?id=80513310
koovidipagulased; ”Asekantsler: Eestis on kahe aasta jooksul elama jäänud 88 kvoodipagulast, nüüd võetakse kahe aasta jooksul sama palju juurde” [88 quota refugees have remained in Estonia after two years], and now the same amount will be added over another two years] Delfi, 17 December 2017, http://www.delfi.ee/news/paevaudised/eesti/eestisse-kohe-aasta-jooksul-eama-jaanud-88-koovidipagulaste-
nuud-votakse-kahe-aasta-sama-palju-juurde?id=80513310
kahtlustusega-vahi-alla?id=7499172
28 “Kohus mõistis naist süütimisega ahvardanud pagulase vangi” [Court condemned refugee to prison for threatening his wife with immolation], ERR News, 25 May 2017, http://www.err.ee/598059/kohus-moistis-
naist-suumisega-ahvardanud-pagulase-vangi
Supreme Court jättis valdade sundliitmise jõusse -møtlemoa 160 arutelus [The Fifth Opinion Festival has brought more than 9,000 people to participate in 160 debates], Opinion Festival website, 12 August 2017, https://www.arvamusfestival.ee/vies-aryamusfestival-pani-enam-kui-9000-inimest-kaasa-møtlemoa-160-arutelus


Sarapuu was arrested for corruption

https://online.le.ee/2017/08/08/prokuror

summary of the charges in the trial of Savisaar
Lääne Elu Online, 8 August 2017,

https://www.siseministeerium.ee/sites/default/files/dokumendid/Uuringud/Avaliku_korra_tagamine/institutsioon	
tahelpanu

more attention to

http://www.aripaev.ee/uudised/2017/08/30/siret

kohaselt parvlaevatehastelt 3,5 miljonit eurot

http://transparency.ee/cm/uudised/eesti/ekre

standstill in the CPI has been cemented

http://www.korruptsioon.ee/et/corruption

http://www.err.ee/585727/pikamae


“Korruptsioonikahlustus viis abilinnapead arestimajajad” [Corruption accusations lead deputy mayors into detention house], Tartu Postimees, 19 October 2017, https://tartu.postimees.ee/4281483/korruptsioonikahlustus-viis-abilinnapead-arestimaja?_ga=2.109227398.2023530662.1508433961-1380600314.1508433959