

Estonia

by Vello Pettai and Martin Mölder

Capital: Tallinn
Population: 1.3 million
GNI/capita, PPP: US\$20,850

Source: The data above are drawn from the World Bank's *World Development Indicators 2013*.

Nations in Transit Ratings and Averaged Scores

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Electoral Process	1.50	1.50	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75
Civil Society	2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75
Independent Media	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Governance*	2.25	n/a								
National Democratic Governance	n/a	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25
Local Democratic Governance	n/a	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50
Judicial Framework and Independence	1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50
Corruption	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.25	2.25	2.50
Democracy Score	1.92	1.96	1.96	1.96	1.93	1.93	1.96	1.93	1.93	1.96

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

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

EXECUTIVE SUMMARY

The coalition government of the Reform Party (RP) and the Pro Patria and Res Publica Union (PPRPU), elected into office in spring 2011, remained stable throughout 2012. However, the popularity of coalition leader RP dropped sharply during the year, partly as the result of a money-laundering scandal that led to the resignation of Justice Minister Kristen Michal.

Public frustration with government austerity measures and slow growth was in evidence throughout the year, manifesting itself in two nationwide strikes. Economic growth slowed to an estimated 2.2 percent in 2012, while the decline in unemployment decelerated, resting at 10.4 percent. Inflation came down slightly from 5.1 percent in 2011 to 3.9 percent in 2012, but remains significantly higher than in the rest of the European Union (EU).¹ Despite these challenges, the government succeeded in reducing public debt and the budget deficit.

Prime Minister Andrus Ansip and the RP have been the dominant force in government for seven-and-a-half years, and they are increasingly criticized for losing touch with the broader population. Such criticism was amplified in 2012 by the RP's dismissive response to accusations that it had accepted illegal party donations.

National Democratic Governance. Although polls revealed wavering popularity of the governing parties, the coalition was able to adopt several key austerity measures that it had vowed to implement during the electoral campaign. The government implemented a reform in higher education and another in the civil service that aims to trim the sector and reduce civil servant privileges, which exceed those enjoyed in the private sector. While the public reluctantly accepted these changes, the government's plans to implement a law abolishing property taxes for homeowners were heavily criticized. In terms of foreign policy, the government succeeded in convincing the parliament to ratify the agreement to create a European Stability Mechanism. Concerns about its constitutionality were resolved only after a close ruling by the Supreme Court. *Estonia's national democratic governance rating remains unchanged at 2.25.*

Electoral Process. The electoral landscape of Estonia was quiet following the 2011 parliamentary elections, despite continued conflict within the PPRPU over the handling of a 2011 corruption scandal involving several prominent party members. The Center Party also experienced internal tensions when a group of senior politicians left the party over concerns about party ethics. A controversial RP and PPRPU proposal giving political parties extra state funds in order to set up party "foundations" for educating the public about political ideologies and

promoting democracy was shelved after the RP was accused of accepting illegal campaign donations. *Estonia's electoral process rating remains unchanged at 1.75.*

Civil Society. The year witnessed an unusual number of spontaneous strikes and protests. At the beginning of the year, several demonstrations were held against the government's attempt to ratify the Anti-Counterfeiting Trade Agreement (ACTA). There were also two nationwide strikes in 2012: a relatively brief teachers' strike in the spring and a month-long doctors' strike in the fall. In November, a group of intellectuals issued a proclamation called Charter 12, decrying the erosion of democratic accountability and government responsiveness in Estonia. The initiative met with a groundswell of popular support, eventually prompting President Toomas Hendrik Ilves to convene a special roundtable discussion among party leaders, civil society activists, and social science experts. These events represented a new wave of mobilization during the year, though overall civic participation remained low. *Estonia's civil society rating remains unchanged at 1.75.*

Independent Media. Estonia's media landscape remained largely unchanged in 2012, with media still starkly divided along ethnic lines. There are a large number of Estonian-language print and television outlets, while the number of local Russian-language outlets is limited. As a result, Estonia's approximately 400,000 Russian residents usually access information and entertainment from media, especially television, broadcast from the Russian Federation. In 2012, newspapers attempted to adapt their print publications to digital formats by designing content compatible with new technologies, such as tablet computers. *Estonia's rating for independent media remains unchanged at 1.50.*

Local Democratic Governance. Calls for a reform of Estonia's system of local government have been on and off the political agenda nearly every year. Estonia has a fairly large number of local governments relative to its population. Most of these are very small and arguably lack the necessary capacity to operate efficiently and meet the public service needs of constituents. Government policy has tended to favor facilitating voluntary mergers of local governments rather than broader amalgamation. Many local governments remain concerned about a decrease in their financial autonomy following the government's 2011 decision to abolish most property taxes for homeowners and only partially compensate municipalities for lost revenue. *Estonia's local democratic governance rating remains unchanged at 2.50.*

Judicial Framework and Independence. Reforms aimed at increasing the autonomy of the court system were under discussion before the 2011 elections but have not been on the parliamentary agenda since then. In 2012, Estonia's Security Police board and prosecutor's office were criticized for monitoring many sensitive political issues without requisite evidence. *Estonia's judicial framework and independence rating remains unchanged at 1.50.*

Corruption. The response of ruling party leadership to a major corruption scandal in 2012 supports the perception of growing influence-peddling in Estonian politics. In May, a prominent member of the RP stated that he had repeatedly laundered illicit donations to his party between 2009 and 2010 at the behest of the party's secretary-general, now serving as justice minister. Party leadership turned on the whistleblower, denying the allegations and defending the justice minister. In October, the state prosecutor's office dropped its investigation into the case, citing lack of evidence. Meanwhile, law enforcement agencies continued to wage successful investigations into individual cases of corruption involving high-level officials. *Estonia's corruption rating declines from 2.25 to 2.50.*

Outlook for 2013. Politics in 2013 will largely center around the local elections scheduled for October. It is unlikely that new parties will emerge, but the poll will serve as a mid-term assessment of the ruling coalition in advance of the 2015 parliamentary elections. The fight is likely to be particularly fierce in the capital, Tallinn, where Center Party mayor Edgar Savisaar will defend his party's absolute majority in the city council. Savisaar has already promised to make public transport free of charge as of 1 January 2013. Estonia's overall economic situation is likely to improve only marginally, which may or may not be enough to satisfy the public's expectations.

MAIN REPORT

National Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25	2.25

The Reform Party (RP) and Pro Patria and Res Publica Union (PPRPU) coalition government of Prime Minister Andrus Ansip pursued an agenda of high budgetary discipline in 2012, achieving many of the policy goals outlined in the 2011 coalition agreement. Nevertheless, support for the coalition waned during the year.

With the number of university-aged Estonian citizens set to decline over the next few years, the government plans to radically reorganize the higher education system, much as it did the primary and secondary school systems in 2011. In early February, the parliament passed legislation aimed at phasing out some overlapping study programs across universities and streamlining student stipends. In fulfillment of a PPRPU campaign promise, the legislation also promised free tuition to students meeting certain requirements. At the urging of various student organizations, President Tomas Ilves vetoed the first version of the Universities Act in late February, demanding more clarity regarding performance-based university financing and eligibility (including the definition of a “full-time” student). Implementation began after some adjustments were made, with universities and students reluctantly accepting the changes.

Over a decade in the making, the civil service law passed in June seeks to create a more flexible and precisely defined public service, limiting the category to those positions that are directly related to the exercise of public authority. As a result, the number of civil servants (but not necessarily government employees) is expected to decrease by 18–25 percent.² The new law also aims to make remuneration more transparent by minimizing extra perks as a proportion of total pay. The new law will come into effect in April 2013.

In August, the Estonian parliament voted to ratify the European Stability Mechanism (ESM), the European Union’s new, permanent bailout fund for heavily indebted Eurozone members.³ Estonia’s chancellor of justice (legal ombudsman) had challenged the measure when it came up for ratification, arguing that a treaty provision allowing aid to be allocated with the support of only 85 percent of signatory states violated Estonia’s sovereignty.⁴ In July, Estonia’s Supreme Court decided by a one-vote margin that while this provision did technically constitute a change in the country’s sovereignty, it was justified given the vital importance of the ESM.⁵ Following ratification, Estonia was required to pay €149 million into the ESM, and could contribute some €1.15 billion more to the fund over coming years.⁶

Notwithstanding these successes, the government drew some criticism in 2012 for its rushed decision to abolish most property taxes for homeowners the previous year. The reform, which had been trumpeted by the PPRPU, was meant to reward home ownership by ending property taxes on plots of up to 1,500 square meters. As Estonia's tax authorities and local governments started to work out the details, however, they encountered significant obstacles related to harmonizing databases, including land registries and residence statistics. In the course of the year, government officials admitted that the necessary information would not be fully synchronized before 2014. In the meantime, local governments must conduct much of the cross-referencing and processing on their own.

Two changes took place within the cabinet in 2012. In May, Urmas Reinsalu, a founding member of the now extinct Res Publica (which merged with Pro Patria to form the PPRPU in 2006), replaced Mart Laar as minister of defense. Laar, a two-time former prime minister and fixture of Estonian politics for over two decades, suffered a stroke at the beginning of 2012 and was thus forced to step back from politics during his recovery. In December, Justice Minister Kristen Michal resigned following months of recriminations over alleged money-laundering in the Reform Party during the period when Michal had been secretary general. Prime Minister Ansip moved Social Affairs Minister Hanno Pevkur into Michal's position, and Taavi Rõivas, a young former member of parliament, into Pevkur's.

Electoral Process

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.50	1.50	1.50	1.50	1.50	1.50	1.75	1.75	1.75	1.75

Estonia's electoral climate remained quiet in 2012 in the absence of campaigning or polls. The latest elections, in 2011, left Estonia with just four parties in the parliament, fewer than at any other time since 1991. Moreover, these parties were evenly divided, with two on the center-right (RP and PPRPU) and two on the center-left (the Social Democrats and the Center Party). This consolidation had taken place thanks to a 5-percent electoral threshold for gaining parliamentary seats, as well as a generous public financing for parties already in the parliament—all of which has placed less established parties at a disadvantage.

Even as discontent with the Ansip government increased, no new parties were formed in 2012. There were, however, some small rifts within existing parties, as well as some changes in party leadership. Before replacing Mart Laar as minister of defense, Urmas Reinsalu was elected to take over for Laar as chairman of the PPRPU. Meanwhile, in the opposition Center Party, growing disagreements between supporters of established party leader Edgar Savisaar and a new generation of mavericks within the party caused a number of resignations. Savisaar and his supporters had tried to dismiss criticism of a former party official accused of complicity in the theft of e-mails from a prominent Social Democratic politician. When an important regional party leader, former interior minister Kalle Laanet,

began speaking out publicly about the issue in March, he was expelled from the party for blemishing its reputation. This prompted the resignation of eight well-known party members, including several MPs and MEPs (one of whom was Savisaar’s ex-wife). Some of these individuals formed a political association called “Democrats,” but it is unclear if the association will form a new party.

An analogous rift emerged early in the year within the PRRPU over the party’s handling of a 2011 scandal in which several PRRPU MPs were accused of helping wealthy Russians obtain residency permits in Estonia through dubious business investments. To signal their dissatisfaction, veteran party members founded an independent political association called Free Patriotic Citizen, which organized public events and gained new adherents. While the group never publicly threatened to break off from the PRRPU, they appeared to be positioning themselves to campaign separately in the 2013 local elections.

During the first half of 2012, the RP and the PRRPU upheld a coalition promise to help create a legal basis for nonprofit party associations intended to promote party values and democracy abroad, along the lines of similar foundations in Germany or the International Republican Institute and the National Democratic Institute in the United States. The RP and PRRPU agreed in late 2011 to allocate €900,000 to these proposed foundations, acting before any law was passed regulating their operations. Many civil society activists perceived the agreement as a further attempt by the parties to indirectly increase their state funding. Discussion of the draft bill to create dragged out through the spring, with politicians repeatedly trying to repackage the proposal. Ultimately the idea was shelved indefinitely, especially after serious charges were leveled against the Reform Party involving illicit campaign donations (see “Corruption” section of this report).

Civil Society

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
2.00	2.00	2.00	2.00	1.75	1.75	1.75	1.75	1.75	1.75

A number of established organizations continue to support civil society activity in Estonia. These include the National Foundation of Civil Society, which funds civic sector organizations, and the Network of Estonian Nonprofit Organizations, which functions as an effective umbrella organization for them. A new political monitoring group called Government Watchdogs (*Valitsuse valvurid*) launched in early 2012, offering Estonians an opportunity to systematically track government activity. A joint initiative of the Soros-funded Open Estonia Foundation, the public policy think tank PRAXIS, and the Estonian Public Broadcasting Company, the association has set up an internet portal⁷ that provides continually updated information about which policy promises have been implemented and how far they have progressed. Visitors may browse the activities by status and type (declarative statement or concrete policy promise) as well as subject area. They may also read expert policy analysis along with news related to each activity.

The year 2012 witnessed an unusual number of spontaneous demonstrations, mostly directed against the government. Hundreds of citizens in Tallinn and Tartu took to the streets in February as part of a worldwide protest against the controversial Anti-Counterfeiting Trade Agreement (ACTA). Many demonstrators appeared wearing aluminum foil hats and chewing sunflower seeds in response to a comment Prime Minister Ansip had made ridiculing the agreement's detractors.⁸ Although the debate over ACTA gradually died down, the protests were among the largest that Estonia has seen in the past several years.

Larger demonstrations followed, as teachers and medical personnel aired longstanding grievances. Over 16,000 teachers protested on 7–9 March, demanding a 20 percent wage increase.⁹ A 2013 draft budget submitted to the parliament at the end of September contained a provision to raise teachers' salaries by an average of 11 percent, although in many cases local governments were left to work out the details. Even this partial success appeared to encourage doctors, nurses, and other medical staff, who went on strike on 1 October to demand wage hikes of 20 percent or more. In the lead-up to the strike, Prime Minister Ansip agitated healthcare workers by calling their demands unreasonable and unrealistic, a claim he supported with tax data on doctors' earnings that actually included side-jobs, dividends, and other sources of income.¹⁰ Medical staff remained on strike until 25 October, when complicated negotiations between the medical unions, hospital administrators and the government produced an agreement for limited pay raises in 2013.

A final display of burgeoning civic activism came in mid-November. Against the backdrop of the RP's party finance scandal and other frustrations, a group of 17 prominent intellectuals and social scientists issued a declaration denouncing the erosion of democratic accountability and government responsiveness in Estonia. Within a few days, more than 17,000 people had signed an online version of the charter, prompting President Ilves to convene a special roundtable meeting (live-streamed on the internet) of activists and political parties.¹¹ The participants agreed to create a new "People's Assembly" online portal¹² where individuals could post their suggestions for how to reform Estonia's party financing and electoral laws. The portal was set up within a few weeks and immediately attracted several hundred postings. Participants are required to sign in using their personal identification cards, a feature intended to discourage frivolous remarks. Suggestions will be gathered until 1 February 2013, after which a group of experts is to review the proposals and synthesize them into concrete reforms. Thereafter, the People's Assembly will organize another round of public consultation before submitting a package of legislative amendments to the parliament by 30 March.

In recent years, considerable research has been conducted into the state of Estonian civil society. In 2012, the results of an analysis commissioned by the National Foundation of Civil Society was published about the values and behavioral patterns that support civic initiative.¹³ The research showed that although people are in general receptive toward a participatory ideal, this was not generally reflected in their behavior, especially with regard to collective organization and public matters.

The research also indicated that although the number of civil society organizations in Estonia had increased, overall participation had remained more or less the same: 69 percent of the population are not members of any nongovernmental organization (NGO), whereas 10 percent are active in more than one. This showed that the majority of the population is not engaged in civil society and the bulk of civil society activities are led by a small number of very active people.

Independent Media

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50

Estonia's media landscape saw no major changes in 2012. There remain four major Estonian language newspapers at the national level—*Postimees* (which also has a printed Russian-language version), *Õhtuleht*, *Eesti Päevaleht*, and *Äripäev*, with circulations ranging from around 10,000 to close to 60,000—and three major weekly newspapers—*Maaleht*, *Eesti Ekspress*, and *Den za Dnjom* (in Russian), with circulation from around 10,000 to 50,000.¹⁴ In addition to national print media, there are dozens of regional and local newspapers, many of which also maintain online versions.

For years, the media consumption of the Estonian- and Russian-speaking segments of the population has been divided along language lines.¹⁵ Estonians mostly watch the three Estonian-language channels (ETV, Kanal2, and TV3), while Russians primarily watch channels broadcast from the Russian Federation. A second public television channel (ETV2), launched in 2008, was intended to cater more to the cultural interests of Estonian Russians, but its focus ultimately shifted toward supplementing existing Estonian-language broadcasting. However, there is no indication that locally produced media outlets exhibit significant political bias.

Online media play a significant role in the Estonian media landscape. For example, the online portal of *Postimees* and the online-only *Delfi.ee* (both of which also have Russian-language versions) attract on average more than 400,000 visitors from Estonia per week.¹⁶ The Estonian digital media landscape is slowly changing, with print media increasingly adapting to a digitized environment. In recent years, both the weekly *Eesti Ekspress* and the daily *Eesti Päevaleht* have developed mobile versions of their papers designed for tablet computers, and *Õhtuleht* and *Postimees* have launched special news apps for mobile devices.

Local Democratic Governance

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
n/a	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.50

Estonia has 226 local governments units, divided into 33 cities and 193 rural municipalities. There are considerable disparities between the populations of the

units: the capital, Tallinn, has 400,000 inhabitants, while more than half of local government units have less than 2,000 inhabitants and the smallest have only a few hundred.¹⁷ Although recent research¹⁸ has shown that past mergers may have resulted in decreased governance and administrative costs (in some cases up to 50 percent), the position of the government has been to facilitate only voluntary mergers between local governments. As a result, the number of local government units has only decreased from 254 to 226 since 1996,¹⁹ and many units remain too small to effectively provide services to their constituencies.

The European Commission continues to advocate reforming Estonia's administrative structure.²⁰ In October, Estonia's Minister of Regional Affairs began a new round of public consultations, unveiling six possible plans for reform. These ranged from maintaining the status quo to reducing the number of local government units to the number of counties (15). However, any actual legislation will be postponed until after the October 2013 local government elections.

Many local governments have raised complaints concerning the implementation of the government's 2011 decision to abolish property taxes for homeowners. Under the previous system, property taxes were submitted directly to local governments, thus comprising an important component of the independent revenue base with which municipalities could maintain their autonomy. Acknowledging this fact, the government had promised to compensate local governments for any loss in revenue when implementing the reform. However, the government subsequently pledged to do this by increasing the share of personal and corporate income taxes channeled directly to municipalities. Local government officials claimed that this would not entirely offset the reduction in their revenues.

Judicial Framework and Independence

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
1.75	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50	1.50

Estonia's judiciary is independent and generally free from government interference. Laws prohibiting arbitrary arrest and detention and ensuring the right to a fair trial are largely observed. However, the average length of pretrial detention is seven months, due to judicial extensions of the six-month legal limit. The country's prison system continues to suffer from overcrowding and prisoners have poor access to health care, though new prisons were being constructed in 2012.

Moreover, a number of longstanding structural issues are still awaiting action. In 2009, legislative proceedings began over a new Courts Act intended to establish an independent administrative authority for the judicial branch, making it less reliant on the budgetary discretion of the government. However, the issue was dropped at the end of the parliamentary term in March 2011 and no new initiatives were launched in 2012.

It has been suggested that cooperation between two of Estonia's key law enforcement institutions, the Security Police Board (SPB) and the Prosecutor's

Office, is too close, and that they monitor sensitive political issues without requisite evidence. For example, the 2012 yearbook of the Security Police Board included a section on two deputy mayors from the Center Party in Tallinn (Yana Toom and Mikhail Kõlvart) and their efforts to allow certain Russian-language high schools in the capital to avoid introduction of more extensive Estonian-language teaching. The two politicians sued the Security Police Board for implying that their activities were a danger to national security when they had in fact done nothing illegal. In November, a municipal-level court dismissed Toom's suit on the grounds that the authorities' characterizations of her had been accurate. Toom immediately filed an appeal. An administrative court ruling on Kõlvart's was still pending at year's end.

The ranks of the SPB were also under scrutiny during the year following the arrest of SPB official Indrek Põder at the end of 2011 on charges of bribery and abuse of power. Põder was convicted through a compromise procedure and sentenced to four years in prison. In February 2012 a former SPB employee, Aleksei Dressen, was arrested on suspicion of treason for cooperating with the Russian Federation's security services. Dressen was also convicted in July through a compromise procedure and sentenced to 16 years in prison. The case was sensitive, since it recalled the 2009 case of Herman Simm, a former high-ranking official at the Ministry for Defense, who was sentenced to 12.5 years in jail for comparable charges of treason.

In 2012 the parliament adopted amendments to resolve contentious state fees in civil and administrative cases. In 2009 the Supreme Court had indicated that high levies, which curbed access to courts, were unconstitutional. Concerns were also raised by the chancellor of justice.²¹ The amendments, which came into force on July 1, 2012, lowered many levies and reduced the overall monetary burden. Nevertheless, many observers have noted that cases require roughly three years to move from an initial court ruling to resolution.²²

Corruption

2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
2.50	2.50	2.50	2.50	2.50	2.50	2.50	2.25	2.25	2.50

A 2012 report by Transparency International Estonia²³ identifies the State Audit Office, the chancellor of justice, and the electoral commission as the country's strongest anticorruption institutions. The report notes that, to date, corruption prevention efforts have focused on administrative corruption, rather than political actors, and points to a lack of willingness on the part of politicians and parties to self-regulate their activities. The response of ruling party leadership to a major corruption scandal in 2012 supports the perception of growing influence-peddling in Estonian politics.

In May, former Reform Party parliamentarian Silver Meikar claimed in a national newspaper interview that he had helped launder more than €7,000 in illicit donations to his party between 2009 and 2010.²⁴ Meikar said he had done

so at the behest of Justice Minister Kristen Michal, who at that time had been secretary-general of the party. Meikar also accused RP parliamentarian Kalev Lillo of supplying him with envelopes of cash to donate to the party under his own name.²⁵

Meikar claimed he was coming clean in order to open a serious discussion about improving party finance regulation. Though he encouraged other individuals to come forward, he remained the lone whistleblower. Party leadership turned against him, accusing him of spreading false claims and tarnishing the party's reputation. Prime Minister Ansip defended Justice Minister Michal and denounced Meikar's disloyalty to the party.

In June, the Prosecutor's Office initiated a formal investigation, including an interrogation of Meikar, Michal, Lillo, and a number of other RP members as well as a surprise search of the party's headquarters. The media also began their own investigations, uncovering disclosure forms that revealed equally suspicious donations to other parties at various points in time. Eventually, public scrutiny prompted the parliamentary Constitutional Affairs Committee to open a broad consultation process involving political parties, NGOs, and other experts to discuss party finance reform.

On 15 October, the Prosecutor's Office announced that it would close its investigation of Meikar's claims in the absence of substantive evidence. The RP immediately expelled Meikar from its ranks, prompting a number of other members to resign in solidarity. In November, prominent RP leader Kaja Kallas attempted to initiate a discussion within the party about "Silvergate" in order to draw lessons from the affair, but Ansip and other senior party members dismissed her concerns. It remains to be seen whether the parliament's Constitutional Affairs Committee or the president's new Popular Assembly website will propose reforms that could restore public confidence in party finance. Justice Minister Michal resigned in December, without any admission of wrongdoing.

Other parties also came under fire in 2012 for alleged corrupt activities. In early January, the Security Police Board responded to accusations of party finance violations by searching of the offices of the opposition Center Party and the Tallinn Culture Capital Foundation. Their search turned up dozens of printouts of private e-mails belonging to a prominent Social Democratic politician, apparently obtained without his permission.²⁶ On the basis of these discoveries, authorities also searched the private residences of the secretary-generals of the Center Party, Lauri Laasi and Priit Toobal. The Prosecutor's Office petitioned the chancellor of justice to start the process of having Laasi and Toobal's parliamentary immunity revoked in order to press charges. The chancellor of justice denied the request, adding that the MPs' constitutional right to immunity had already been violated by the authorities over the course of the investigation.²⁷

In June, a county court acquitted all suspects in the so-called land exchange criminal case against two former ministers and several prominent businessmen accused of bribery in connection with a series of illegal land exchange transactions.²⁸ The judge ruled surveillance had been conducted illegally during the investigation

and the basic rights of the accused had been violated by the SPB and the Prosecutor's Office. The latter immediately announced that it would appeal the decision.²⁹

Also in June, the parliament adopted amendments to the anticorruption law, which focused on updating and rearranging the declaration of economic interests to make the process simpler and more transparent.

■ AUTHORS: VELLO PETTAI AND MARTIN MÖLDER

Vello Pettai is a professor of comparative politics at the University of Tartu's Institute of Government and Politics and Martin Mölder is a doctoral candidate in political science at the Central European University.

-
- ¹ Ministry of Finance, "2012. aasta suvine majandusprognoos" [2012 Summer Economic Forecast], <http://www.fin.ee/doc.php?107586>.
 - ² Ministry of Justice, "Riigikogu võttus vastu uue avaliku teenistuse seaduse" [Riigikogu adopted the new civil service act], 2012, <http://www.just.ee/56924>.
 - ³ "Estonia Approves ESM," *The Wall Street Journal*, 30 August 2012, <http://online.wsj.com/article/SB10000872396390443618604577621291909608800.html>.
 - ⁴ "The Parliament of Estonia must have a say on the granting of financial assistance under the European Stability Mechanism," Press Release, Chancellery of Chancellor of Justice, 12 March 2012, <http://oiguskantsler.ee/en/the-chancellor-of-justice-the-parliament-of-estonia-must-have-a-say-on-the-granting-of-financial>.
 - ⁵ "Estonia Rules in Favor of European Stability Mechanism," *The Wall Street Journal*, 12 July 2012, <http://online.wsj.com/article/SB10001424052702303644004577523101987086164.html>.
 - ⁶ Communications Office of the Government of Estonia, "Euroopa stabiilsusmehhanismi asutamiset" [On the Founding of the European Stabilization Mechanism], 26 July 2012, <http://valitsus.ee/et/uudised/taustamaterjalid/67892/euroopa-stabiilsusmehhanismi-asutamiset>.
 - ⁷ <http://valvurid.err.ee/>.
 - ⁸ When public debates turned negative, Prime Minister Ansip disparaged the treaty's detractors, complaining that anyone who believed them should stop "eating seeds" and place a layer of "aluminium foil" in their hats to protect their brains.
 - ⁹ "Estonian teachers strike demanding pay hikes," Euronews, 7 March 2012, <http://www.euronews.com/2012/03/07/estonian-teachers-strike-demanding-pay-hikes/>.
 - ¹⁰ "Ansip: arstide nõudmised on täiesti ebareaalsed" [Ansip: doctors' demands are completely unrealistic], <http://uudised.err.ee/?06262189>.
 - ¹¹ "Harta 12-le pole kuu ajaga märkimisväärselt allkirju lisandunud" [No significant number of signatures have been added to Charter 12 in a month], *Postimees*, 30 December 2012, <http://goo.gl/smPfx9>.
 - ¹² www.rahvakogu.ee.

- ¹³ Civil Society Research and Development Centre 2012, *Kodanikualgatust toetavad väärtused ja käitumismustrid Eesti elanikkonnas 2011–2012* [Values and Patterns of Behaviour Supporting Civic Initiative in the Population of Estonia 2011–2012] (Tallinn: University of Tallinn, 2012), <http://goo.gl/WFep0>.
- ¹⁴ Estonian Newspaper Association, <http://www.eall.ee/tiraazhid/>.
- ¹⁵ Estonian Newspaper Association (ENA), “EALL liikmeslehed seisuga 4 detsember 2012” [ENA subscriptions on 4 December 2012], news release, December 2012, <http://www.emor.ee/teleauditooriumi-ulevaade-septembrikuus-2012/>.
- ¹⁶ Tavs Neredzamaiš Sabiedrotaiš (TNS), *Teleauditooriumi ülevaade septembrikuus 2012* [Television audience overview for September 2012] (Tallinn: TNS, 5 October 2012), <http://tnsmatrix.emor.ee/#lnkChart>.
- ¹⁷ “Local Government in Estonia,” Estonian Ministry of the Interior, <https://www.siseministerium.ee/29950/>.
- ¹⁸ Ministry of the Interior, *Eestis aastatel 1996–2009 ühinenud kohalike omavalitsuste finantsmõjude analüüs* [Analysis of the Financial Effects of Merged Local Governments in Estonia in 1996–2009] (Tallinn: Ministry of the Interior, 2012), <http://goo.gl/5C9d1>.
- ¹⁹ *Ibid.*
- ²⁰ Ott Tammik, “European Commission urges for local government reform,” *Estonian Public Broadcasting*, 31 May 2012, <http://news.err.ee/politics/9d38bb00-65a6-47d8-b5a2-eb17fbf44c4c>.
- ²¹ Chancellor of Justice, “Õiguskantsleri 2011. aasta tegevuse ülevaade” [Overview of the activities of the Chancellor of Justice in 2011], http://oiguskantsler.ee/sites/default/files/ylevaade_2011_qr.pdf.
- ²² Supreme Court Chief Justice Märt Rask, *Ülevaade Kohtukorralduse—Õigusemõistmise ja Seaduste Übetaolise Kohaldamise Kohta* [Overview of Court Administration—Administration of Justice and Uniform Application] (Narva: Supreme Court of Estonia, 7 June 2012), http://www.riigikohus.ee/vfs/1354/Riigikohtu%20esimehe%20ettekannet%20parlamendile_07%2006.pdf.
- ²³ Transparency International Estonia, *Korruptsioonivastase Võimekuse Uuring Eesti—Üldkokkuvõte ja Soovitused* [Anticorruption Research Poll in Estonia—General Conclusions and Recommendations] (Tallinn: Transparency International, 2012), http://www.transparency.ee/cm/files/uldkokkuvote_ja_sovitused.pdf.
- ²⁴ “Meikar claims dirty party financing widespread,” *The Baltic Times*, 23 May 2012, <http://www.baltictimes.com/news/articles/31282/>.
- ²⁵ “Meikar Fends Off Attacks From Reform Party,” *Estonian Public Broadcasting*, 1 June 2012, <http://news.err.ee/politics/e48a1d5e-d36c-4b5f-9209-40f0d091bce>.
- ²⁶ “Prosecutor Seeks Removal of 2 Centre MPs’ Immunity,” *Estonian Public Broadcasting*, 7 September 2012, <http://news.err.ee/politics/8d4664ea-0f2b-4a5e-b243-fd7912ea2fb0>.
- ²⁷ “The Chancellor of Justice rejected the Public Prosecutor’s Office’s applications to waive the immunity of two members of the Riigikogu,” 8 October 2012, <http://oiguskantsler.ee/en/the-chancellor-of-justice-rejected-the-public-prosecutors-offices-applications-to-waive-the-immunity>.
- ²⁸ Land exchange bribery suspects set free,” *The Baltic Times*, 22 June 2012, <http://www.baltictimes.com/news/articles/31433/>.
- ²⁹ Juhan Tere, “Estonian prosecutors appeal land exchange court law,” 25 June 2012, http://www.baltic-course.com/eng/real_estate/?doc=59151.