

## Summaries in English

### EDITOR IN CHIEF'S COLUMN

#### *In defense of parliament*

*Aivar Jarne, Riigikogu Toimetised editor in chief, adviser to the President of the Riigikogu*

The leading article treats the topic, raised by the media, of employment benefits for Riigikogu members. The writer compares salaries and other benefits to those of other European parliaments. A comparison with 21 European countries shows that the Riigikogu's benefits are more conservative than lavish. Our system, in which salary is proportional to the average wage, is also in use in Latvia, Lithuania, Slovenia, Croatia and Bulgaria. Austria uses average per capita income of the past year as a basis; Hungary, the basic civil servant salary. Naturally, Estonian MPs are not in the same league as their German colleagues, who make over 100,000 kroons a month (\$6,000) or Swedish and Finnish MPs (\$4,500). Even in Slovenia, similar in other economic respects, MPs make \$5,000 a month.

None of the parliaments under study have dispensed entirely with salary and benefits. The systems employed are relatively varied and depend on each country's standard of living, its traditions and the amount of precedence that its culture ascribes to parliamentary work. That is the case today and has been so in the past, even in Republican Estonia. A very generous benefits system was in effect for the sixth Riigikogu (1938–1940).

The legal status of members has developed over the more than 1000-year-long history of the parliament as an institution. Estonia, with its brief experience with parliamentary democracy, has not had, and likely will not have, occasion to revolutionize the field. A parliament has and must continue to have special benefits. The question is only one of scale and type. If we stripped our MPs of benefits, we would certainly be the first democracy to do so.

### ESSAY

#### *Power – the heaviest burden*

*Ülo Vooglaid, professor emeritus, Institute of Law, University of Tartu*

It takes quite a bit of time for a democratic society to crystallize. In order for society to develop a firm moral underpinning and such a respected body of citizens, many other factors besides time are required, such as people who understand and contribute to the social and cultural fabric in sufficient number as to form a kind of cooperation-revering critical mass that would be able to, and indeed desire to, keep society within certain boundaries and not permit the borders of tolerance to be exceeded. Considering Estonian history, academics should take the place of noblemen, for they truly revere honor and dignity above all and serve their own people in the first order.

Democracy is a function of culture and education. Besides the unity of knowledge and skills, we need people to have experience participating in a democracy and the attendant ability to see things coming.

Power has a tendency to become alienated – to turn against its masters. People have grown used to viewing authority with ironic detachment. In order to be connected with the government in a transition country, even in transition countries as they appear in the Baltic region, takes either a fair amount of or a complete lack of intelligence.

Estonia does not yet have much political theory on the nature of power. The methodological roots of ascending to power, tenure of power, and conceding power remain unarticulated as well. The methods whereby power is held and used have not been clarified to anyone's satisfaction.

The tendency of power to alienate is the subject of countless studies. Unfortunately no one has looked at the extent to which Estonians consider power to something that is theirs... In order to answer specific questions, scientific studies are needed. The essay examines some hypotheses on why power alienates.

## POLITICAL FORUM

### *The constitution*

#### *The Riigikogu and the constitution*

*Toomas Savi, President of the Riigikogu, Reform Party*

The constitution has worked well since 1992. It has effectively fulfilled the role of foundation of a democratic society. The democratic mechanisms set forth by the constitution are functional. In ten years, Estonia has not had a constitutional crisis. The people are not estranged from the constitution and consider it their document. As evidence of this, consider the fact that the constitution is not a topic of daily conversation. There is no reason why we should think of it; it's like a fine Swiss watch that keeps on ticking and does not require maintenance.

Estonian political parties can take pride in the fact that unlike the first era of independence, no current party states extensive amendment of the constitution as its main priority. Only a few ideas, such as direct election of the president or amendment by popular initiative, resonate through party platforms and have as a result reached the floor of the parliament. The bill in favor of popular presidential elections was also cosponsored by outgoing president Lennart Meri on his last day in office. I feel it is my duty to point out that presidential referenda are justified in countries where the president carries out an executive function. In a parliamentary country, where the head of state fulfills ceremonial duties, a popular election can introduce tension and ambiguity in defining the roles of the legislature, president and government.

Estonia's government and people aspire to the EU and upon entrance we will begin to enjoy the rights of membership and fulfill the duties of same. The decision to accede must be formulated in a legal document. To this end, 74 members of parliament have introduced a draft amendment to the constitution that has passed the first reading in the Riigikogu. When it is passed, EU law will become one of the bases for interpreting and implementing the constitution to an extent determined by the membership agreement.

But the decision to amend the constitution must not be made in haste. The draft amendment will be discussed in three readings with at least three months between the first and second readings. A three-fifths majority in the Riigikogu, or 61 votes, is necessary to send the bill to referendum. The referendum can take place three months after passage in the Riigikogu, at the earliest. Personally, the procedure we use to amend the constitution appeals to me – we add a new act and leave the original unchanged. So we can say even after amendment, the spirit and letter of the constitution are retained.

### ***The constitutional relationship between the Riigikogu and the government***

***Mart Nutt, MP, Pro Patria Union***

From the standpoint of the relationship between legislature and government, Estonia is overwhelmingly a parliamentary state, inhabiting the same family of nations as Germany, Austria, Italy, Ireland and several Central European countries as well as all of Europe's monarchies. The powers of the government and the national assembly are, completely and in the classical sense, separate. Article Four of the constitution states that the functions of the Riigikogu and the government shall be fulfilled on the basis of the principle of balance and separation of powers. Most European countries do not have such a clearly-defined separation of powers.

The distribution of powers set forth in the current constitution has borne itself out superbly. In the more than ten year lifespan of the present constitution, Estonia has seen a series of stable and long-lasting government coalitions. There has been no need for extraordinary general elections. The balance of power, which has ensured at least a basic lease on life for minority governments, has compensated well for any frailty stemming from Estonia's modest democratic traditions and polarization and fragmentation of political forces. We can go as far as to say that the purviews of the parliament and government represent the best-balanced power-sharing relationship in the constitution. We may conclude that no amendments are necessary in this field.

But we cannot say that there is no room for growth for Estonian democracy or that the relationship between legislature and government should not continue to evolve. Every democratic society in the world has seen a trend toward greater legislative checks on the executive power. This can be engendered here by increasing the responsibilities of the Riigikogu's committees, and also by instilling a good traditions.

### ***The constitution as society's stabilizer***

*Tõnu Anton, The Supreme Court justice, member of the Constitutional Review Chamber and chairman of the Administrative Law Chamber*

In making a constitution-centered analysis of the last ten years, the writer highlights one of the most important of the many functions of the constitution – that of stabilizer. The constitution does just that, defining the relationship between the community and the state and setting forth the values that unite a society.

These values derive chiefly from the goals and principles set forth in the preamble and Chapter II of the constitution. For the public authorities to deviate from the goals and principles approved upon ratification of the basic law would signify not only a conflict with the ideas in the constitution but a breach of contract with the people. It would inevitably be met with justifiable disillusionment from the people, if not outright anger. Indeed, the present article focuses foremost on constitutional values.

According to the writer, one part of guaranteeing these values lies in concentrating more on social issues and considering the principles of a social welfare state. What has escaped attention is that the nurturing hand of the public authorities in the fields of care-giving, medical help, housing, labor and education is required by precisely those individuals who cannot enjoy those fruits due to material shortages or other objective reasons. Such people are not in a group that would likely be capable of turning decisions in their own favor.

The most urgent and problematical aim in the constitution is that of preserving the Estonian language and culture. What does this mean, anyway? First of all, that the Estonian body politic must survive in at least as numerous a form as it exists in today, and that culture continue to be vital enough to evolve. Cultural preservation is not synonymous with the disproportionate growth of museums.

At the time the constitution was drafted, protecting national identity had an immeasurable significance in ensuring a feeling of national unity. Now the situation has changed and the principles of national identity protection must be triaged with other important principles. It feels like foreign culture is impinging on us, and the pressure is great. Even though the language law offers a measure of protection, in practice the problem is not merely one of ensuring that people are conversant in Estonian, but the fact that English has become the working language in several fields and specialties. The influence of Russian has been accounted for, but now a more serious influence, English and Anglo-American culture, requires appraisal.

### ***Rules of order in the Riigikogu***

#### ***The origins and key issues of rules of order***

*Jüri Adams, MP, Pro Patria Union*

The writer presents an overview of the development of the Riigikogu rules of order over more than ten years. He is of the opinion that over time, the law on rules of order has

become increasingly longer and more confusing. A printout of its 168 articles spans 53 pages. The structure of the law is completely hopeless. Presumably only the Riigikogu speakers' assistants can remember what part lies where. To use the law, each case has to be viewed in terms of different far-flung sections of the law.

This, then, is the setting for introduction of a bill (1222 SE) that was prepared by the Riigikogu Chancellery. Even though the draft law has been restructured and is vastly more comprehensive and user-friendly, several internal conflicts persist.

The writer proposes that the Riigikogu institutionalize a speeded-up procedure. Situations arise from time to time, occasioned by events at home or abroad, that require a fast reaction time – the preparation of a statement, resolution, or legislative act. Our rules of order do not allow for such a development, since bills can only be introduced at certain times. Sometimes the head committee is assigned at a meeting days later; if it is not a government-sponsored bill, then the government should be queried for their opinion and the text of the bill going to a vote should be made available the night before. (There does exist, in theory, the possibility of the government calling for an extraordinary session of parliament.)

Still, why couldn't we institutionalize a procedure for rapid passage of laws, specifying for example, 2/3 or 3/5 support for such an initiative, and dispensing with all time-consuming rules on such an occasion?

### *Amending the law on rules of order*

*Heiki Sibul, Secretary General of the Riigikogu*

*Aaro Mõttus, Adviser to the Board of the Riigikogu*

Analyzing the Riigikogu's law on the rules of order from a technical and logistical aspect (structure, optimization of regulations) and standard practice as it has evolved based on the law – all compared to mechanisms used in other European legislatures – inevitably summons thoughts of how to change the law.

The present article was in fact written by way of brief introduction of ideas how to make the law on the rules of order more complete and, through it, shape the Riigikogu organization, working arrangement and procedure into one that is more in line with society's needs. The article highlights bottlenecks that the writers feel have emerged in the current law and consequently in working practice, and offer suggestions as to possible regulation of these areas.

The writers feel that the structure as well as the content of the law needs to be changed. The best way would be to scrap the old law. The above positions constitute a vision of how the most central problems of the Riigikogu's working arrangement could be resolved. Let it be said again here that the vision is based on analysis of bottlenecks and also comparative study of the rules of other European legislatures.

CONSTITUTIONAL INSTITUTIONS

## *The President*

### *Making leadership of the nation simpler and more understandable*

*Siim Kallas, Prime Minister and chairman of the Reform Party*

The whole world faces the need to reappraise its convictions in the field of economy, foreign policy, national defense, demographics and many other areas. The Prime Minister proposes entrusting the Riigikogu to supervise the State Audit Office, which should be transformed into a body controlling the actions of the government. A review board should be selected from MPs; it would appoint an official who would serve as chief inspector.

The PM also believes the attorney general should be transferred to the judicial branch of government, under the Supreme Court. It would give the judiciary an additional asset in ensuring the effectiveness of the justice system and work out issues to a degree not possible today.

The writer also focuses at length on the institution of president. He speculates what might happen if the president were given the duties of head of government, bearing in mind the importance of ensuring that ministers carry out their duties well so that the prime minister would not have to redo anything. This arrangement would simplify every aspect of foreign relations. The relationship between representation and responsibility would also be clearer.

### *The death of the presidency*

*Igor Gräzin, professor, University Nord*

Nearly all parties have announced their intention to see the constitution in future contain a principle according to which the president would be popularly and directly elected. This consensus entails but one question: if all parties stand behind their promises with such solidarity, something must be rotten. Ask yourselves whether Estonia really needs a president at all.

A large part of the president's duties are ceremonial, yet not even these have been executed without twists and tangles – the awards for meritorious service, ambassadorships assigned and not assigned, and even the yearly presidential receptions have been a never-ending source of imbroglio. One of the main duties of the foreign service during the two presidential administrations since restoration of independence, in fact, has been damage control and spinning whatever the head of state has said.

As for the political functions of the president, the most important is undoubtedly the right of suspensive veto – originally intended as a check and a balance by the constitution. Lennart Meri used the veto on 39 occasions. To understand the import of this number, we need to consider the tendency of that president toward, shall we say, a liberal interpretation of law. Considering some of his acts – like closing off the seashore path to the public (the illegality of which move would have been protested to the heavens in Roman law!), or the extremely

murky story involving the construction of a personal summer residence – the search for a constitutional or national-minded reason behind use of the veto is a vain one in many cases.

Instead of changing the election procedure, it would be best to consider how to abolish the presidency.

## STUDIES AND OPINIONS

### *The Riigikogu and legal standards in different cultural contexts*

#### *The Riigikogu's voting system and quora*

*Kalle Liebert, Riigikogu Pro Patria Union faction adviser, master's candidate, Institute of Law, University of Tartu*

The public nature of Riigikogu sessions and of voting records is one of the most important foundations of democracy, giving constituents the opportunity of getting information on the work and record of MPs. To better implement the principle of transparency, committee discussions and votes should also be made available, for example by posting them on the legislature's website.

The principle of secret ballot in the case of appointments of officials as set forth in the constitution can also be considered successful, since it ensures an objective outcome.

Also efficacious is the absence of a quorum – legal acts are passed if they get a majority of yea-votes. These principles have given parliamentary minorities the chance to see their interests become reality and have provided MPs incentive to attend regular sessions. The quorum imposed on extraordinary sessions, on the other hand, gives the majority the possibility of quashing legislation if the quorum is not attained. To resolve this problem, more analysis is necessary. The decision to provide a list of constitutional laws in the constitution was also the right one. These are very essential laws that must be based on a greater consensus than the usual, a condition that is ensured by subjecting these laws to the requirement that they can only be passed and amended by a majority of the total Riigikogu body.

In practice, distinctions between ordinary and constitutional laws has repeatedly resulted in problems and even legal wrangling. The Supreme Court has found that questions in the purview of a constitutional law can be regulated by only that constitutional law.

An ordinary law setting forth a norm that belongs in the purview of constitutional laws is grounds for declaring that norm unconstitutional and null and void.

To avoid problems, ordinary and constitutional laws must be handled separately from the time they are introduced. Amendments to ordinary and constitutional laws must also be introduced separately as bills.

## *The role of norms of law in different cultural contexts*

*Silvia Kaugia, lecturer, Faculty of Law, University of Tartu*

Human society is a complicated system in which orientation would be impossible without universal standards of behavior. Many types of social norms regulate people's behavior in society. They reflect typical attitudes that are characteristic of the majority of a given social group or of all of society. Social standards of behavior should be viewed as part of the social structure and in the larger picture can be divided into two groups – enforced and unenforced. In the case of a given social norm, it is considered to be in effect when the members of the group or society observe the norm, and when adherence is greeted with approval and neglect with disapproval.

The article gives an overview of the role of legal norms in the European cultural context and the place of legal norms in the Anglo-American legal system, and legal norms in Asia and Africa.

The author points out that there exist legal systems today where the main regulators of human behavior are legal standards, but that there are also societies where customs, morals and religious values prevail as the primary determinant of human behavior. The first type of system is often considered a civilized, modern system; in the case of the second, the question of modernization continues to be actual, a question of which modern legal system they should adopt.

Despite the special place of legal norms in the system of social norms, we must not forget that many different kinds of social norms exist alongside legal ones on an everyday level. Thus it is still worth studying the genesis and sources of law in social life, and to identify which types of societal relations require legal regulation, what kind of regulations to use and what phenomena should be left for other elements to control. Reducing the amount of legislation does not necessarily spell descent into chaos, but more will be expected from standards of reliability, morals and honor.

## *Pay, benefits packages and pensions for members of parliament*

### *Pay and benefits packages for members of parliament*

*Kai Priks, adviser to the Department of Economic and Social Information, Chancellery of the Riigikogu*

From time to time, the topic of salary and employment benefits for members of parliament crops up, producing widespread discussion among the populace and providing occasion to review the laws. The law on compensation of MPs has been amended on four occasions: in 1996, 1998, 1999 and 2001.

The present study was conducted in connection with bills sponsored by the faction Mõõdukad (1183 SE), the People's Union (1184 SE) and Lauri Vahtre (1193 SE) in October.



The purpose of the study was to provide an international comparison of salary levels and benefits packages, and also compare MPs' salaries to the average.

In summary, we can say that parliamentary work is paid work in all the countries looked at, even in cases when the MP continues previous employment. The system of compensation varies from country to country in terms of transparency. Every individual member's salary and other perquisites can vary within a legislature. Salary levels depend on standard of living, traditions and the precedence that legislators' work takes in the country.

### ***Principles of ensuring retirement benefits for members of parliament***

***Toivo Mängel***, adviser to the Department of Economic and Social Information, Chancellery of the Riigikogu

With the recent introduction of bills on pensions for MPs in mind, the Chancellery of the Riigikogu Economic and Social Information Department gathered background information on retirement benefits in other countries. This work gives a small overview of the results and offers some suggestions for reforming Estonia's system.

The average pension last year in Estonia was 1,552 kroons (just under \$100 a month), and this for people with 44 years of employment. In 2002, it was 1,620 kroons. With the average monthly salary increasing 12% from 2001–2002, the average pension increased only 1.3%. The Council of Europe social insurance charter, which Estonia has acceded to, says a pension should be at least 40% of the average wage, but Estonia's was only 28.2%.

An MP's pension constituted 69.4% of the average salary for MPs in 2001. This indicator shows Estonia as exceeding the average for the EU as well as that of countries with advanced social welfare systems like Finland (60%) and Germany (69%). It would be possible for Estonia to make the size of legislators' pensions proportional to the average salary over the course of their career (Belgium, UK, Germany, Canada) or to the average in their last few years (Hungary, Czech Republic, Portugal) or the high salary point of their career (Norway, Sweden, Austria). This would mean the introduction of elements of the accumulated pension system.

### ***Social capital***

***Social capital, perceptions of influence with political institutions and trust in institutions of power***

***Tõnis Saarts***, project manager, Emor

The purpose of the analysis was to examine the extent to which Estonians and non-Estonians' trust in political institutions on the local and national level is influenced by social capital and the perception that various political institutions are open to influence.

Many theoreticians have made the connection between social capital and trust in political institutions, such as Francis Fukuyama and R. Putnam. According to Putnam, people who believe they are capable of influencing political structures trust them more.

Since integration is a very important keyword in Estonia's case as is the political aspect, the analysis focused on to national aspects.

Two hypotheses were made.

I: Non-Estonians with more social capital have more trust in the central government and local institutions. The same holds for Estonians.

II: Non-Estonians who feel they can influence local bodies more, trust local institutions more. The same holds for Estonians.

To test the hypotheses, trust in political institutions was used as a dependent variable (trust in local and central government was looked at separately). The independent variable was social capital, which was taken as trust in another individual, regardless of any membership in any civic organizations. In the case of the second hypothesis, the independent variable was the perception of the ability to influence power institutions.

The results showed that non-Estonians with more social capital trust local and central government institutions more than those with less social capital. No correlation between social capital and trust in local and central institutions emerged in the case of Estonians.

In examining the connections between the trustworthiness of local institutions and perception of susceptibility to influence, it emerged that Estonians who believe they can influence local institutions trust them more as well. No correlation emerged in the case of non-Estonians.

The main conclusion that the analysis afforded was that ethnic origin had a significant large effect on the correlations studied. This in turn leads to the conclusion that various political and social strategies and models of inclusion could be used to increase both Estonians' and non-Estonians' trust in institutions. In the case of Estonians, conventional strategies and models seem to have more potential. This model stresses the role of effective local government and of including people in the decision-making process and favoring direct communication with national government. In the case of non-Estonians, a model based on civic associations seems more suitable, stressing the role of civic association and congregation in increasing participation in the political process and trust in institutions.

The recommendation that different strategies be used on the two ethnic groups should be taken as a generalization, however, pending closer and more intensive analysis.

It is clear, though, that the ethnic aspect should not be underestimated in discussing the issue of trust in institutions.

## *Applied studies*

### *Towards a more knowledge-centred public policy, legislative process and public administration – government agency-commissioned studies from 1999–2001*

*Aare Kasemets, head of the Department of Economic and Social Information, Chancellery of the Riigikogu*

As a result of a discussion among the members of the *Riigikogu Toimetised* editorial board, a questionnaire with cover letter from MPs Anti Liiv (Estonian Centre Party) and Ivar Tallo (Mõõdukad) was sent to all cabinet ministers to get an overview of stated budget-funded surveys commissioned between 1999–2001 – the number, cost and respondents, the relationship of surveys to legislation and way in which they were commissioned.

There were three primary points of departure:

1) There are problems in Estonian legislation with conflict between EU and national legal norms. Ditto in the area of analysis of legislation's socioeconomic and budgetary effects. These problems have been attributed to a shortage of experts, time, and budgetary resources and deficiencies in interagency coordination.

2) The policy options contained in draft laws are not based on analysis of Estonian society. Thus, principles and regulatory mechanisms that evolved in other countries are adopted in an expedited manner in the course of European integration; yet such principles and mechanisms do not necessarily suit Estonian values, knowledge, skills and potential. Analyses of cover letters accompanying bills introduced in the Riigikogu show the same thing. We desired to know how much government institutions commissioned studies connected with new legislation.

3) A theoretical point of departure was also the concept of responsible policy-making – the need for analysis of bills' social effects and risks. The practical point of departure here involved the problem of *administrative capacity* that has emerged in the implementation of laws and treaties – is it sufficient? If the social facts (public administration, state budget) do not support the legal standards of some new law, the problem can be at once political, legal and economic. The better legislators are at analyzing and considering a law's budgetary, economic and social effects, the better the law will fulfill its goals.

*Results of the parliament study.* A comparison of responses by government institution proved difficult due to our insistence on unified definitions and documentation requirements, but the data do permit us to describe the general distribution of studies by ministry and to describe the main issues in how studies are commissioned.

On the basis of responses to letters from MPs (interpolations) we can say the following as of fall 2002 with regard to the commissioning of field studies by government agencies:

1) from 1999–2001, ten ministries and the State Chancellery commissioned around 400 studies and analyses, amounting to an expenditure of over 100 million kroons of state money. Social studies on general problems in society accounted for only 3%.

2) In connection with the drafting of laws (*ex ante*) and appraising effects of laws in force (*ex post*) including effects vis-à-vis EU law, three ministries – education, justice and environment – and the office of the minister of population commissioned a total of 106 studies to the tune of 41,083,323 kroons, accounting for 38% of the total cost of all surveys. The main share lies in the purview of the ministry of the environment and contains nature field studies. Most ministries do not document the purpose for which a survey is commissioned (such as new legislation), making it difficult for them to provide specific answers.

The main goal of this study was to gain an overview of the reasons ministries commissioned studies, since first of all, information on studies conducted with Estonia's relatively limited budgetary funds seldom reaches the general public, and secondly, the information from the studies is not used sufficiently in the making of new laws, even though laws in liberal democracies are central organizers of market and society relations and are principally responsible for ensuring sustainable development. A number of political and administrative proposals can be made on the basis of our study – including improving the study commissioning process and reinforcing conditions for the formation of a more knowledge-centered policy-making and legislative process and public administration with Estonia's fairly limited public monies.

### ***State-funded studies lack clarity and structure***

***Ruta Kruuda, director, PRAXIS Political Studies Center***

MSI's study on studies and analyses conducted at the behest of state institutions turned up results that more or less were expected and objectively reflected the prevailing confusion and conditions where the rules of the game have not been defined. According to the MSI study, the best way to alleviate this situation is to define clear categories for studies. An amendment which would list the categories should avoid situations where money earmarked for surveys is not used as intended.

The system whereby government bodies order surveys needs to be straightened up. There is a choice to be made between centralized and decentralized approaches. Previous experience must be considered in making this choice. The state must also focus more attention on defining the purpose for a given study, expressing the exact questions to be answered by the study, and how the study is to be used in future. The MSI study deepened suspicions that in many cases, it is not known how to use the results, or to what end.

The state must also consider that a good and high-quality study that leads to better and higher-quality decisions in the public sector requires time, updated and precise data, deeper analysis, good analysts and financial resources. Studies provide information how to appraise the socioeconomic effects of various decisions, how decisions in one sector of the economy

affect others, and what additional costs to administer systems and what additional investments implementing new decisions will be required.

The centralized approach is favored by a growing number of decisions made on the basis of studies that span several administrative areas and state institutions in order to analyze the combined effects of various sectors and what happens when decisions are applied within them. Such wider-scale studies help gauge how well the state is functioning and allows problems to be solved as a whole – basically, to take better, higher-quality decisions for the good of the state and the people.

The current Estonian situation needs to be straightened out and the MSI study is a good beginning.

### ***Public service reform***

#### ***Towards better public leadership***

***Kalev Kallems, internal auditor, Ministry of Justice***

RiTo's second volume contained two articles tinged with skepticism where modernization of public administration was concerned, one from Ülle Madise (129–134) and the other by Tiina Randma and Taavi Annus (135–144). The same edition was graced by then-PM Mart Laar's article on the necessity of modernization (40–46).

The prime minister's positions were truthful, based on facts and international practice: "Estonian public administration must be more democratic and effective than heretofore in order to ensure the state's competitiveness and provide backing for a civic society." Unfortunately the premier's efforts lacked thoroughness and follow-through and his goodwill sank into a morass of administrative territorialism. The government committed some technical lapses as well, which *are* correctable, however.

The articles by the other writers mentioned above make it clear that they do not thoroughly understand the bases or practice of the quest for modernization. The claim that private sector or new public management solutions cannot be successful in the public sector betrays a lack of understanding: Ted Gaebler and David Osborne's *Reinventing Government*, the basis for new public management, contains hundreds of examples of how NPM has achieved notable results in many different regions and fields.

In the US, the Government Performance and Results Act of 1993 has reduced the civil service by 252,000 people and saved 108 billion dollars. The comparison between reformed and unreformed institutions is also striking: 31% and 84% of clients, respectively, are satisfied with the work of the institutions, and 27% as opposed to 77% feel their opinion now counts.

One reason for the success of NPM may be that it is very grounded in reality and appeals to universal truths. The simple goal – to create incentives that stimulate people and organizations to achieve better results – is easy to understand and does not run counter to

human nature. Another reason is the similarity of results in the public and private sectors, which especially in the US has accounted for the creation of many consulting firms and think tanks that count state institutions as their clients.

### ***Rural life and village study***

#### ***The Estonian village, village leaders, local governments and the state***

***Asser Murutar, rural sociology study group leader, Estonian Agricultural University***

A local initiative workgroup, set up in the Riigikogu in 2001 on the initiative of the Kodukant Small Town and Village Movement, ordered a survey of relations between villages, village leaders, local governments and the state to clarify the need – on a background of regional policy, administrative reform and processes tied with European integration – to regulate by law the activity of village leadership.

Social and cultural aspects of the study: Contemporary people's territorial identity determines in many respects what they believe in and what beliefs they act upon. A time of shifting spiritual values has now arrived. Experts feel the future of the Estonian village as a state of mind requires, ranked in order of effectiveness, the introduction of new traditions, the preservation of old traditions, growing people's capacity for initiative, collective responsibility, feeling of unity, generational continuity and capacity for collective action. Rural society must be re-socialized – transformed into units that act in concert. The question is, what are the indicators of village life? Village elders are respected individuals. The neglected village level should be part of future reform plans as administrative reforms continue.

With EU membership looming, it is unclear what will become of the 176,000 rural households and 85,300 farms as family homesteads. Legislative regulation of the functions of village elders and small towns is of the highest importance. Estonia is ready for a social contract to this end.

### ***Measures of an active state labor policy***

#### ***Active state labor policy measures***

***Reelika Leetmaa, program director, PRAXIS Political Studies Center***

In summary, we can say that employment programs vary greatly from country to country. Studies show that a program that is effective in a certain group in one country will not necessarily work in another. Thus it is important to gauge the influence of a state-run labor program on a regular basis and adapt it according to needs.

The US and Canada have become adept at measuring the effectiveness of their labor programs, and it has also become standard practice in many European countries in the 1990s. The experience of different countries shows that

- the most productive and least expensive kind of labor programs are job search and consulting programs. This approach may not be as effective for youth and the chronically unemployed;
- the most productive training programs are small-scale and well-targeted programs that consider the needs of the participants, employer as well as the job market and part of whose curriculum covers workplace practice. It is most productive to train women and least productive to train young people;
- injections of starter capital only bear results in the case of a small part of the unemployed population – middle-aged men with a higher educational level;
- subsidizing private employers is a relatively ineffective policy, but can be very successful coupled with other programs and in the case of certain risk groups (long-term unemployed, the under-25);
- public works are also a relatively ineffective way to go, but can bear themselves out in motivating the chronically unemployed and instilling beneficial patterns of employment. Public works have been used in developing nations to alleviate poverty;
- the role of the state labor departments is central to offering and implementing labor programs, so it is important to make sure the system has enough resources to offer quality service.

### ***Taxation of employers and unemployment***

***Sten Anspal, analyst, PRAXIS Political Studies Center***

In seeking solutions to high unemployment – one of Estonia's most serious economic problems – the tax system and job market have fallen under the lens more and more often. In addition to structural factors, tax burden is a potentially significant factor influencing the level of unemployment. The article examines Estonia's tax burden in an international context as well as the links between employment and taxation.

It is theoretically possible to increase employment by reducing tax rates, but only if certain conditions apply. In appraising the effect on possible tax changes, we must therefore consider many factors, the most important of which are given below.

One of the most important is the flexibility of the market and the competitive scene in various branches of the economy. Flexibility of the market is an important requirement for decreasing taxes, since it is one of the main factors that determines how great a burden taxes are on employers. Measures taken to increase flexibility can prove just as important as decreasing tax rates.

Second, it is important to consider how tax cuts will be covered. It is possible, for example, to reduce taxes and increase indirect taxation, with employees bearing the burden of indirect taxes. Though a growing burden of indirect taxes can eventually affect employees' earnings, it would in the longer term offset the influence of changing the tax rate.

It is important from the standpoint of changes in employment how unemployment benefits or severance payments are taxed. A consideration in a person's accepting a job offer is how much better than an unemployment check the money from wages is. If the personal income tax rate decreases on both unemployment insurance as well as paychecks, then the income from both sources will increase. A change in tax rates is more effective when the ratio changes.

The situation of minimum wage-earners has to be viewed separately, since in their case it is important whether an employee's tax burden or employer's tax burden changes. The employer's taxes are harder to shift onto employees, since a smaller wage than the minimum cannot be paid out and the growth of the minimum wage over time does not depend on the employer. The negotiating position of minimum wage-earners is also likely to be weak. Decreasing social taxes in the case of this group will decrease unemployment (the effects will be felt in decreased employers' expenditures and the demand for employment will increase) while decreasing the income tax will not affect employment (the employee would have a higher net income, since it would not be possible to decrease the gross income so that net income remained the same). It must also be considered that, in Estonia, the tax burden at the minimum wage level is much lower than at the average wage level, and thus any change would be less significant.

### ***European integration***

#### ***Well-being is the predominant factor in public opinion of EU accession***

***Aksel Kirch, director, the Institute for European Studies***

As Estonia was shaking off the Soviet yoke, the idea of joining the EU had an entirely different meaning than it does today, now that Estonia is one of the more certain candidates in the current round of accession.

To better analyze the respective importance of factors in influencing the referendum decision, it is necessary to appraise the context in which a possible referendum decision may be made next year.

The article examines the reasons why the desire to join the EU that formed among the political elite in the transition period has not become widespread and why the electorate's support and that of the nation in general has remained relatively modest.

According to a survey conducted from June 2002 by ES Turu-uuringute AS, typical yeasayers tend to be economically better-off and are likely to live in Tallinn. They see EU membership as part of Estonia's rapid and positive economic development and personal well-being. The affluent are the only segment that is likely give their unconditional support to EU membership at referendum.

At the same time, a large share of people take a more skeptical view or are entirely against EU membership. For example, according to the June 2002 survey only 43% of voting-age



people would support EU membership either "firmly" or "likely", with 16% "likely" opposing and 15% "firmly" opposing; 12% would abstain. The 14% remainder had no opinion. Thus the current ratio of for/against/don't know is 43:43:14.

## ***Energy***

### ***Sustainable energy sources and the EU***

***Jaan Tepp, chairman of the board, Estonian Wind Power Association***

Upon Estonia's accession to the EU and in consideration of the ratified Kyoto agreement, the Riigikogu and government need to support electricity production from sustainable sources alongside oil shale-based production.

The main aim of the Republic's energy policy is to furnish consumers with every type of fuel and energy source at the lowest possible price without harming the environment.

This will require economically justified compromises in terms of security of supply and price, and expenditures involved in cleaning up and preventing damage to the environment. The cheapest energy source is not necessarily the most environmentally friendly. Switching to cleaner energy sources in the required amounts without creating the necessary preconditions is not justified. The security of supply increases when the amount of in-bought fuels decreases.

Replacing domestic fossil fuels with cleaner imported fuels will reduce environmental harm in the energy sector, at the same time that it increases the state's political dependence, as a result of economic dependence. At the same time, the state would be destabilized by unemployment from the jobs lost, which coupled with political dependence could jeopardize statehood. An unstable and codependent state will not meet EU conditions.

Estonia can increase its security of supply through the use of sustainable energy sources. Sustainable sources reduce environmental harm and ensure decentralization of the energy sector. The whole world is moving in a similar direction, a fact foreseen by the industry's long-term action plan, which called for tax breaks for investors and producers of alternative energy.

CIVIC SOCIETY AND STATE AUTHORITY

### ***Problems and solutions of building a civic society***

#### ***How the conception for an Estonian civic society developed***

***Agu Laius, director of the Jaan Tõnisson Institute, chairman of the Representative Council of the Estonian NGO Roundtable***

Over the last few years, many influential international organizations have dealt with how to get citizens to take part in the political process: the UNDP, World Bank, OECD and the Open Society Institute. All of their work points to the importance of civic participation, and the question is not one of whether and why, but how. The OECD's handbook advises citizens not to wait until the government is forced to deal with the problem, but to be proactive and seize the initiative before crisis. It is not easy to say how one should take part, of course. The type of representative democracy now in use does not exactly favor civic participation. Both sides are alienated from each other and do not have a history of working together. Still, an increasing number of people are expressing through civic associations their desire to take part in the political process. Many of the larger foreign financiers of civic initiatives dropped out of Estonia in the latter half of the 1990s, leaving Estonians to fend for themselves, and we are not at the center of the world's attention as we were right after independence.

Thanks to our numerous foreign partners and training programs, the idea that sustainability is only viable through the efforts of communities and civic organizations has become widely accepted. Communities can only be strong when they are driven internally by civic associations. The government has prepared the necessary legislative groundwork. Today there are around 18,000 non-profit organizations. On this basis we can assume that cooperation and partnership between citizens and government has a solid foundation on the state and community level.

In actuality, the situation is more complicated, and a long road remains before citizens are truly part of decision-making on the local level. We often encounter the problem that local leaders are not eager to have citizens involved because that would require coordination, teamwork, discussion and dialogue, and much else that seems inconvenient and requires leadership of a different sort in local government. The same unwillingness has been seen on the state level.

Thus we see that the people and their representatives have often remained separate, and citizens' associations have not found their final expression in cooperating with the state officials; decision-making is not yet a shared process.

### ***Milestones in the development of the volunteer sector***

***Andres Siplane***, adviser to the Department of Economic and Social Information, Chancellery of the Riigikogu

As of November 1, 2002, there were 17,775 registered non-profit organizations in Estonia. Over the last two years the wages and number of jobs have doubled. On average, more than one new foundation is established per year per 1,000 people. But next to the above positive developments: over a couple days in November 2001, exactly a hundred environmental organizations were registered at two addresses in Rakvere and Kuressaare. So, such is the situation in the so-called third sector.

These trends can be seen as positive as long as they have not come at the expense of other sectors. The fact that a state-run hospital became a non-profit organization is, for example, not necessarily good or bad news by itself.

## THE PARLIAMENTARY WORLD AND INTERNATIONAL RELATIONS

### *Eastern relations*

#### *Estonian-Russian relations – the last ten years*

*Mart Helme, Estonian ambassador to Russia, 1995–1999*

Estonia's attitude toward Russia after independence was characterized by an idealistic expectation – yet one firmly entrenched in the idea of continuity of statehood – that our great neighbor to the east would renew itself morally and that relations would rapidly normalize in the spirit of mutual reward and good-neighborliness.

Thus it came as a cold shower that Russia, led by the Yeltsin administration, hailed by the whole world as democratic and reform-minded, set out on a tack of accusing Estonia of discriminating against local Russians and escalated a bilateral issue into a propaganda war waged internationally.

The weakness of Estonia's positions in Russian relations has been deepened by our policy of ignoring Russia, starting in late 1997, according to which disputes could be solved quicker and more favorably for Estonia through EU integration. The extent to which this policy has been deceptive was perhaps best demonstrated by Russian vice-prime minister Valentina Matviyenko's visit to Tallinn as part of the IGC. Magnanimously and without saying when, she promised a border treaty, an end to double tariffs and the return of Republican-era president Päts's regalia – concessions that may be propaganda points scored for Moscow, anyway – and repeated all of the demands that we have heard for years in the areas of citizenship, language and religion, and adding the somewhat newer demand that Estonia refrain from prosecuting Soviet war criminals.

All but ignoring Russia for years, Estonia has let the EU do its talking for it, and we must realize that Brussels expects certain things from us vis-à-vis Russia that we would never agree to if we had a more antagonistic policy. Since we have demonstrated our willingness for concessions in the past, additional ones are now expected from us.

### *Ukraine between East and West*

*Jüri Tamm, MP, chairman, the Estonia-Ukraine parliamentary group, Mõõdukad*

Geographically and agriculturally well-endowed, Ukraine's fertile lands have been scarred by devastating wars and revolutions, which is why peace and peaceable solution of domestic and foreign problems is such an important value for the country. That this is a priority does not mean that there are no more political battles to be fought. Many initiatives lie in a state

of partial completion due to the disorganized and amorphous state of affairs in society. Many aspects of democracy taken granted elsewhere are non-operational and a large part of the population does not apprehend their value and importance. The superficial Ukrainian democracy is convenient for the people in power and not very useful to the masses. It does a disservice to democracy in general. Only a civil society can dispel the ethos of subordination that ruled the land in the Soviet period.

The above problems can be overcome if society matures and implements its strongest aspects. This involves reviving the striving for freedom that lives on in the western parts of the country, which is reflected in the constitution drafted by Pylip Orlyk and which has not been seen for 300 years. It is the road of individual contributions, starting with expanding economic freedoms and continuing to greater freedom in society at large. European integration, in which Estonia plays a small part, will contribute its share toward this process. In the constitutional sphere, progress includes the idea of the civil society – a never-ending journey toward the goals.

## HISTORY OF THE RIIGIKOGU

### *Party agreements in the mid-1990s*

### *Party leader summits in the mid-1990s*

### *Küllo Arjakas, MP, Estonian Centre Party*

From March 1994 to July 1995, four Estonian party summits took place at the behest of the Centre Party. Two were followed by continued meetings where unfinished business was discussed, and by the work of various work groups. The summit, planned as an extraordinary event, gave rise to a tradition of summits over a period of 18 months or so. Since July 1995, there have not been as many well-attended summits, though subsequent years have seen a number of roundtables held in various forms and levels.

The features of the summit should be considered efficacious – a party leader or leaders represents each party, the summit is closed to the public, decisions are adopted by consensus, the statements made at summit are not used to attack each other, a joint *communiqué* is released at the end of proceedings or a briefing by the leaders is held.

One of the results of the summits was an increase in mutual trust between parties and closer interpersonal dialogue. Summits were also a sign to society that on certain issues either important to a party or to society (general issues of party growth, the war against crime, creation of an honor system for elections, etc.) parties could have meaningful cooperation.

The current method of financing parties from the budget was worked out at summit, which undoubtedly was a quantum leap for parties. Discussion along those lines started at the first summit, though it remained behind the scenes at that time. After the 1995 election campaign, parties had largely run out of money and state support was essential. Let us note here that our neighbors to the south, the Latvians, have not been able to agree on a single

national system for financing parties in the Seim and that may be a reason that the party landscape in the 1990s was more unstable in Latvia than in Estonia.

#### LITERATURE AND DATABASES

##### *Internet resources via gateway*

*Kristina Pihlau, chief specialist, Centre of Information Services for MPs, National Library of Estonia*

*Meeli Kõlli, information specialist, Centre of Information Services for MPs, National Library of Estonia*

*Katrin Ordlik, law work group leader, Centre of Information Services for MPs, National Library of Estonia*

The article discusses the National Library of Estonia's creation of a directory of Internet resources organized by subject and presents an overview of economic, political and law links. The gateway (<http://w3.nlib.ee/lingid>) is a systematically-arranged keyword-driven system that contains links to Internet pages, databases (both free and licensed), various e-texts and e-zines, and a selection of other library collections. Resources have been chosen according to their accuracy, currency, and amount of content. Existing links are checked once a month.