



Estonia Report

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Sustainable Governance Indicators 2022

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Executive Summary

In many respects, Estonia has successfully established a sustainable democracy. Among the 41 countries in the SGI, Estonia ranks seventh for democracy, eighth for policy performance and 11th for governance. These positions remain the same as in 2019. As in 2019, performance is weakest regarding executive capacity. Overall, Estonia's performance can be characterized as maintaining the same level instead of advancing new reform initiatives. This can be explained by the continued COVID-19 crisis that forced adjustments on all aspects of governance and social life.

Within the review period (November 2019–January 2021), Estonia had two governments. The first, with Jüri Ratas (Centre Party) as the prime minister, included the populist radical right party EKRE, which influenced the government's policy priorities as well as public debates. Issues of homeland security, morality, public administration and pension reform gained significant attention, while other areas (e.g., RDI, e-governance, gender equality and minority rights) were neglected. After Ratas's cabinet stepped down in January 2021, the neoliberal Reform party (with Kaja Kallas as the prime minister) formed the government. The Centre Party was invited into coalition again, but the conservative Pro Patria and populist EKRE moved from government to opposition. Continuity in the coalition composition may explain why both cabinets have a comprehensive governing program, but most targets remain extremely modest.

The country's economy showed remarkable resilience during the COVID-19 crisis, evidenced by a fast recovery in employment, foreign trade and annual economic growth of about 8% in 2021. Despite the high employment rate, labor shortages and high taxes on labor continue to undermine economic development, particularly productivity. The labor market situation has triggered debates about migration policy and the need to regulate the increasing use of migrant workers, particularly Ukrainian workers.

The main elements of Estonia's welfare system (i.e., the healthcare and pension systems), which are based on the Bismarckian principle of social insurance, face substantial financial problems. The pay-as-you-go (PAYG) pension pillar is accumulating debt due to the high population dependency ratio, while the mandatory pension pillar has been made voluntary and lost more than 24% of its total assets as a result of withdrawals. The reform had an immediate, positive effect on capital markets, domestic trade and the state budget, but could be harmful long term to seniors' well-being and the sustainability of the pension system. Poverty among the elderly remains a concern.

Democracy remains constitutionally strong, although the overall situation is more heated and polarized due to the COVID-19 regulations. In 2020, the radical right EKRE verbally attacked LGBTQ+ movements, the free press, independent courts and COVID-19 restrictions. In 2021, when EKRE left the government and Alar Karis replaced Kersti Kaljulaid, an outspoken critic of EKRE, as the president, confrontation decreased. Local elections in October 2021 did not bring much success to the populists and kept mainstream parties in power; ethnic cleavages in voting became less salient.

In governance, little progress has been achieved in policy innovation, quality management and pursuing holistic approaches. Ongoing state reforms aim to improve the coherence of governance by merging executive agencies with overlapping functions and by strengthening the Prime Minister's Office. In parallel to administrative mergers, several state agencies will move from the capital to regional locations in order to support regional development. At the moment, efficiency gains are prioritized over the quality of service provision and better public access. Regarding long-term perspectives, Estonia has adopted a national strategy, Estonia 2035, which will increase government focus on climate change and the UN SDGs. The allocation of EU structural funds in 2021 – 2027 will be aligned with the Estonia 2035 goals. However, Estonia 2035 has been widely criticized for being too vague and lacking ambition.

Key Challenges

Estonia is internationally renowned for its low government debt. However, government debt doubled in 2020 due to coronavirus mitigation measures, although it remained very modest by international comparison. Estonia moved quickly from a balanced budget narrative to a steeply negative budget balance. The government basically has two options, either increase taxes or radically

cut expenditures. Prime Minister Jüri Ratas's second government (2019–2021) set its sights on delivering several large-scale infrastructure (e.g., road) projects. However, according to the Bank of Estonia, these projects could have negative effects. For example, the projects could increase labor shortages, leading to a decline in private sector investment and slow productivity growth. Prime Minister Kaja Kallas's government (2021–present) has adopted a much more conservative, neoliberal approach and all large-scale investments are planned via EU NextGen RRF facilities. Expenditure on human capital development lags far behind other countries, which will harm the country's competitiveness. The latest twist has been extraordinarily fast inflation – the latest annual CPI growth rate is 12% and the country has plunged into an energy crisis due to extremely high energy prices. The government should implement more inclusive, universal measures to mitigate the energy crisis, instead of the mean and lean approach it has taken so far.

The Estonian tax system, designed in the early 1990s, is straightforward and transparent, but poorly suited to today's work and lifestyle patterns. The 2017 income tax reform introduced progressive tax exemptions, which also effect middle to higher income groups. Considering the fast wage increases, tax bracket thresholds may need to be adjusted to ensure vertical equity. The pension reform that made contributions to second-pillar pension schemes voluntary and allowed early withdrawals of existing assets could have substantial effects on capital markets and households' income security. Consequently, the budgetary and social effects of reforms associated with tax policy must be carefully monitored and negative effects must be addressed. Reform of social insurance systems, based on standard employment, is needed in order to provide adequate protection for the self-employed (e.g., those working in the gig economy and the digital sector) and temporary workers, and to secure sufficient government revenue to finance the welfare system. Furthermore, excises and green taxes require further attention to ensure they comply with Green Deal targets and mitigate poverty given the recent increases in energy prices. Thus, a systemic and comprehensive reform of the tax system remains crucial.

R&D support programs that have advanced cooperation between universities and enterprises must be continued, linked to the country's economic and social priorities, and benefit SMEs. Stable and sufficient funding for research and higher education institutions needs to be secured to facilitate knowledge transfer and the supply of high-skilled workers for the country's economy.

The institutional governance framework is well established. Consequently, policymakers can focus on increasing executive capacity by firmly following democratic principles of checks and balances, and public accountability. In

modernizing governance, Estonia must revise the current conception of knowledge-based governance, which has led to an overproduction of development plans and analyses that are poorly linked to decision-making. To overcome this excessive reporting, the government should consider three measures. First, the government must improve coordination between ministries, and between ministries, the Prime Minister's Office and the Government Office. Second, the government must significantly improve policy evaluation, including the appraisal of regulatory impact assessment results. Third, instead of commissioning studies with exhaustive explanatory analyses, the government should promote open data use and secondary analysis. To remain a pioneer in e-governance, the pace of innovation needs to be increased and the usability of e-governance tools improved both for public administration and citizens. Contemporary governance requires appropriate capacities both centrally and locally. The process of municipal mergers, finalized in 2017, must be complemented by a clarification of local government tasks, guarantees of adequate funding and support for citizen involvement in local governance. The improvement of citizens' quality of life must be prioritized over efficiency gains.

Democratic institutions and principles have become well established in Estonia over the last 30 years, but must not be taken for granted. Constant attention must be paid to ensure that all four powers remain autonomous and legitimate. Politicians, civil society and journalists' associations should closely monitor media outlets to protect freedom of expression and the plurality of opinions. Government must promote measures that guarantee affordable access to print and digital media for people living in remote areas. It is crucial for democracy that all civil society organizations are treated equally by the government regardless of their ideology and value orientations.

Party Polarization

Estonia has moderate levels of party polarization and a comparatively high level of trust in politicians (the highest among the Central and East European countries covered by the SGI). A proportional representation electoral system has produced a multiparty system with four to six parties represented in recent parliaments. Two or three parties are usually needed to form a coalition government. The current coalition government, in office since February 2021, includes the neoliberal Reform Party (of Prime Minister Kaja Kallas) and the social liberal Centre Party. Both belong to the ALDE group in the European Parliament, but domestically often take opposing positions. Two conservative

parties – Isamaa and the right-wing populist Estonian Conservative People’s Party (EKRE) – and the center-left Social Democrats form the parliamentary opposition. EKRE members of parliament often vocally contradict mainstream politics, but this has only a minor effect on policymaking since the EKRE moved from government to opposition in January 2021. (Score: 7)

Sustainable Policies

I. Economic Policies

Economy

Economic Policy
Score: 7

The implementation of economic and innovation policy is the responsibility of the Ministry of Economic Affairs and Communications. In parallel, the Ministry of Education and Research develops and coordinates implementation of the national R&D strategy. These two strategies are supposed to be complementary but duplication and lack of synergy between ministries have been continuous problems. Similarly, labor policy falls under the purview of the Ministry of Economic Affairs, Ministry of Education and Ministry of Social Affairs. Due to growing labor shortages, the Ministry of Interior, responsible for immigration, has also become an important actor in economic policy.

The global economic climate between 2019 and 2021 was dictated by the COVID-19 crisis, and the efforts of the government and the European Union to mitigate its effects. It has led to robust fiscal support programs, responsible for increased fiscal deficits and national debt. Overall, the Estonian economy has proven resilient to the COVID-19 crisis, except for some sectors such as hospitality and transport. While the Estonian economy runs in high gear, rising inflation, labor shortages and high pressure to boost wages could erode its competitiveness. Although income taxes are low, high tax rates on labor and strict policies on hiring immigrant workers prevent Estonia from attracting foreign labor, which is urgently required due to Estonia's aging population.

As an EU member state, Estonia forms its economic policy in accordance with EU strategies and has adopted the long-term Estonia 2035 strategy, which

describes a set of visionary targets with the overall objective of improving social well-being and sustainability. However, Estonia 2035 lacks a clear set of reforms that can be implemented and an aim for such reforms. Even if in some areas measurable targets are defined, the path to achieve them is not outlined.

Labor Markets

Labor Market
Policy
Score: 8

Recent labor market reforms have focused on the employability of disabled people in order to expand labor supply. Young people, especially NEET, have been another focus of ALMP. The evidence on policy efficiency remains mixed – career guidance has been by far the most widespread measure both for young and disabled people, but its quality is evaluated by the target groups as low (see Centar 2021). Unemployment among young people remains almost twice as high as the general rate. Several other targets in transition from unemployment to employment for various social categories were also not reached (Töötukassa 2021).

COVID-19 has substantially changed the planned course of reforms. In the first half of 2020, 17,534 enterprises (mostly in commerce and industrial sectors) received wage support from the Unemployment Insurance Fund (ca €256 million) to compensate for a loss in turnover and to keep workers in employment. Employers who benefited from this scheme were not allowed to fire workers in the following six months. A recent analysis (Praxis 2021) revealed that the measure effectively combated poverty (especially among those aged 50 and over) and kept about 65,000 people in employment.

In 2021, the economic situation stabilized – the employment rate recovered close to the pre-crisis level and the general unemployment rate remained below 10%. In the second half of 2021, labor shortages became a greater concern than unemployment. Immigration policy has remained strict, and hiring immigrant workers is administratively difficult and economically costly for enterprises. At the same time, the Act on Unemployment Insurance was amended in August 2020, allowing registered unemployed persons to take mini-jobs without losing their unemployment benefit.

Moreover, the unemployment benefit replacement rate for the first 100 days of unemployment increased from 50% to 60%, which has helped to reduce poverty among the unemployed. Platform and gig-economy workers are legally defined as self-employed, which means that they are not eligible for labor market support measures and cannot join a union in order to protect their rights.

Citation:

Centar (2021). Karjääriteenused Eestis: teel terviklahenduseni. Lõppraport. Tallinn. https://www.tootukassa.ee/sites/tootukassa.ee/files/karjaariteenuste_uuring_loppraport.pdf (accessed 02.01.2022)

Praxis (2021). COVID-19 sotsiaal-majanduslik mõju:Töötukassa töötasu hüvitis 2020. Tallinn. Eesti Töötukassa (2021). Majandusaasta aruanne 2020. https://www.tootukassa.ee/sites/tootukassa.ee/files/tootukassa_aastaruanne_2020.pdf (accessed 02.01.2022)

Taxes

Tax Policy
Score: 7

Estonia is internationally recognized for its simple and transparent tax system. Besides the modest income tax (standard rate of 20%), capital is not taxed at all (except very marginal land tax), which violates the principle of horizontal equity. Motor fuel, energy and gas excises – which had increased rapidly in previous periods – were decreased in 2021 (prior to spring 2022) in order to cope with the COVID-19 impact. Environmental taxes were not a policy priority in 2019–2021.

Retained and reinvested profits are exempt from corporate income tax in Estonia, and the country resisted the global corporate tax overhaul under the aegis of the OECD. Estonia long claimed that this agreement will hamper the international competitiveness of small countries, but ultimately chose not to be cast out by the international community.

Internally, there is widespread consensus that the current tax system needs revision due to decreasing tax returns, an aging population, increasing inequality and environmental pressures, but no substantial debates have started yet. The Estonian parliament's Foresight Centre provided three scenarios for a sustainable tax system, but these were dismissed outright by the minister of finance, Keit Pentus-Rosimannus (Reform Party), who promised to come up with their own suggestions by late 2022. Thus, it is unclear what direction tax debate will take over the coming years.

One of the main challenges comes from the Estonian welfare system, which is financed almost entirely (80%) through social insurance contributions. High labor costs may weaken the country's economic position and could lead to labor relations abuses. Even more importantly, social insurance contributions alone cannot provide sufficient financing for social services given an aging population and changing work patterns, which destabilize social tax receipts. The public pension funds have persistently accumulated debt and the health insurance fund is under a long-term financial austerity policy. The future of the social welfare budget has been weakened as a result of the funded pensions

reform (2021), which made the previously mandatory second pillar voluntary. The amended law allows people to withdraw their long-term pension savings before the pension age in full and this option was used by about a quarter of insured persons. This populist decision to “free” citizens’ money improved tax revenues in 2021, as the withdrawn funds attracted income tax, but reduced social tax revenues, as individual contributions to the second pillar from people who exited the system ceased.

Citation:

Foresight Center (2021). <https://www.riigikogu.ee/en/foresight/future-proof-tax-structure/> (accessed 07.01.2022)

Budgets

Budgetary Policy
Score: 8

Estonia has followed a strict fiscal policy for decades. As a result, the country has Europe’s lowest public debt as a percentage of GDP and can meet future financial obligations without placing extra burdens on future generations. The overall tax burden has remained fairly stable throughout the years.

While in 2019 the government stated that it would achieve a balanced budget in 2020, the COVID-19 crisis turned those promises upside down. Between 2020 and 2021, the budget turned deeply negative and government spending was supported by increased borrowing, albeit from very low levels previously. According to Ülo Kaasik, the vice-president of the central bank, the current tax system offers no hope to balance the budget in the foreseeable future and either increasing the tax base or significantly cutting spending is necessary. The incumbent liberal government will most likely opt for the latter.

The current state of and forecasts regarding the future of social security funds in Estonia pose the largest risk to fiscal sustainability. At present, the national public pension fund runs a deficit equivalent to nearly 2% of GDP each year. The recent government decision to make second-pillar pension schemes voluntary and allow insured persons to withdraw savings prior to retirement poses a significant challenge to the government’s ability to secure citizens’ welfare while adhering to the principles of fiscal sustainability and intergenerational fairness. The Health Insurance Fund and Unemployment Insurance Fund lost part of their autonomy over their budgets when the funds’ reserves were merged with the government liquidity reserves in 2011–2012.

Citation:

Postimees (2. January 2022). Interview with Ülo Kaasik. <https://majandus.postimees.ee/7421246/ulo-kaasik-rahatrakita-oleks-vaesus-suurem> (accessed 07.01.2022)

R&I Policy
Score: 7

Research, Innovation and Infrastructure

Research, development and innovation (RDI) are frequently stressed as national development priorities, reflected in the National Development Plan of Research, Innovation and Entrepreneurship 2021–2035 (TAIE). The new strategy should bring research closer to the economy, where outcomes, so far, have been modest. The Estonian Research Council (ETAG) has stated that national strategies “have not triggered any significant changes in the R&D structures and strategies of universities or companies.”

Public and private R&D expenditures have remained stagnant or even decreased; the shortage of funds remains one of the main obstacles to promoting RDI. The promise to increase public RDI expenditure to 1% of GDP over the next three years has not been fulfilled and RDI expenditures stagnated at 0.71% of GDP for 2019–2021.

Estonia is one of the few countries worldwide that does not have tax exemptions for enterprise-led R&D activities, nor is there any R&D-related risk-sharing between the public and private sectors. High costs and high risks undermine private sector motivation for investing in R&D. The government policy toward this problem has been to encourage innovation and the transfer of scientific knowledge to enterprises via special grant schemes (NUTIKAS, ResTA, SekMO) by supporting collaboration between R&D institutions and companies. As a result of these efforts, private sector R&D expenditure exceeds that of the public sector.

R&D policy measures have been much more successful in developing scientific research, as indicated by an increased number of highly ranked international publications and the improved international rankings of main Estonian universities. Advances in the development of patents, high-tech products and services are noticeable but less prominent. In recent years, the number of R&D personnel in the private sector has increased by 45% in contrast to a decrease (-3%) in the public sector.

Citation:
ETAG (2021). TA statistika rahvusvahelises võrdluses. https://www.etag.ee/wp-content/uploads/2022/01/TA-statistika-rahvusvaheline-vordlus_jaanuar-2022_07012022.pdf (accessed 07.01.2022)

Global Financial System

Stabilizing
Global Financial
System
Score: 8

Estonia actively participates in developing and securing financial stability and transparency in global financial markets. Estonia is a member of the Council of Europe's MONEYVAL monitoring body. Several domestic bodies have been established to combat money laundering, such as the Governmental Committee for the Coordination of Money Laundering Prevention, the Financial Intelligence Unit (FIU) and the Estonian Financial Supervision Authority (FSA). The FIU is an independent unit of the Estonian Police and Border Guard Board, and the FSA is an independent body that supervises all financial sector participants. In recent years, the FSA has had a prominent role in combating money laundering in the Estonian financial sector. Because of the internationally prominent cases of money laundering in the Danske Bank and the Estonian branch of Swedbank (the largest bank in the country), the Estonian government introduced several measures to prevent similar cases in the future. One of the government's key policy proposals is to make clients fully responsible for proving the legality of their funds. In cases of suspected money laundering or terrorist financing, the FIU analyses and verifies information taking measures where necessary and forwarding materials to the competent authorities upon detection of a criminal offense.

Currently, the key topic is regulation of crypto companies registered in Estonia. Estonia was one of the first countries to set minimum levels to register a crypto company. As a result, a myriad of foreign-owned crypto companies were registered in Estonia. Current government policy is to turn around the initial very lax regulatory requirements, and avoid potential damage to the national financial system and reputation.

II. Social Policies

Education

Education Policy
Score: 9

Estonians have traditionally placed a high value on education, which has been a driving force behind the country's excellent educational outcomes (e.g., reflected in PISA results). Particular system strengths include the small number of low achievers and low school-level variance in student achievement. Enrollment rates at all education levels are above the international average.

Municipalities provide preschool education, which is accessible to the great bulk of the population (the enrollment rate is about 95%). Earlier concerns regarding a shortage of places in urban areas and low salary levels for teachers have been solved. Education at public institutions is free at all levels and there are various social support measures for students, such as free school lunches and transport through school buses. Vocational education and training (VET) students have access to subsidized dormitories and there are needs-based allowances for university students.

Interestingly, while tertiary-level education is generally associated with improved employability and higher salaries, this appears less true in Estonia than elsewhere. 30% of registered unemployed persons have completed higher education, while 27% have completed VET (Töötukassa 2021), which highlights a mismatch between the education system and labor market situation. Recent policy measures strengthening links between education and training and the labor market (e.g., involving companies and social partners in VET curricula development, which includes entrepreneurship skills in university curricula, and providing adults with skill levels better access to lifelong learning) have sought to ensure that the provision of education keeps pace with the changing needs of the economy.

Citation:
Töötukassa (2021). Majandusaasta aruanne 2020. Tallinn.
https://www.tootukassa.ee/sites/tootukassa.ee/files/tootukassa_aastaruanne_2020.pdf (accessed 02.01.2022)

Social Inclusion

Social Inclusion
Policy
Score: 6

In general terms, the Estonian welfare system resembles the liberal welfare model. Levels of poverty and inequality remain higher than the OECD average. Work-related income has significantly increased, but so have the wage disparities that maintain the relative poverty rate. Social transfers have not followed step with wage increases, resulting in increased levels of relative poverty among the retired, the unemployed and families dependent on social benefits. In the non-working population, poverty is highest among the elderly. There are also gender and regional disparities in poverty indicators. The absence of effective regional policy has accelerated the exodus of the working-age population from rural areas. This, in turn, puts an additional burden on families and makes the formulation of sound social policy all the more difficult.

Overall, anti-poverty policy remained unchanged in 2019–2021. Some temporary support schemes were introduced at the end of 2021 to compensate

for the sharp increase in living costs due to rallying energy and electricity prices. Families with net income below the national median can apply for compensation; the scheme will be effective until April 2022.

Even though the social exclusion of ethnic minorities has decreased, partly owing to government integration programs, unemployment and poverty rates remain somewhat higher among minority groups. Subjective perceptions are also critical – compared to ethnic Estonians, the ethnic minority population perceives greater inequalities in opportunity in all life domains. Only one-fifth of residents of other nationalities consider their own material well-being and opportunities equal, while 73% consider the situation of Estonians to be better. 70% of people of other nationalities see no opportunities to influence Estonian society (EIM 2020).

Citation:

EIM 2020. Estonian Integration Monitoring 2020. Fact sheet on equal opportunities. <https://www.kul.ee/en/estonian-integration-monitoring-2020> (accessed 03.01.2022)

Health

Health Policy
Score: 8

Estonia has a social insurance-based healthcare system, which includes some non-Bismarckian features such as general practitioners. The insurance principle makes access to healthcare services dependent on labor market status. Working-age people who are not in employment or education are not covered by the national health insurance. On average, 6% of the population are not guaranteed free access to healthcare due unemployment or irregular work contracts; the problem is worse among men, ethnic minorities and young people aged 26–30. The minister of social affairs started a discussion on universal healthcare already in 2018, although government cabinets have not made any progress on the issue.

Instead of the major reform, some smaller measures have been implemented in order to improve the system's inclusiveness and quality. Uninsured people are included in screening programs of major oncological diseases (2021), e-consultations of special care doctors have been launched (2020) and a nationwide e-booking system has been opened (2019). The latter two measures were especially important to address large regional inequalities in access to high-quality hospital care.

In contrast to coverage and access issues, the quality of healthcare and the efficiency of the healthcare system in Estonia is good, despite a level of expenditure well below the OECD average.

Families

Family Policy
Score: 10

Estonia inherited a tradition of double-breadwinner families from Soviet times, when mothers typically worked full time. Despite huge social changes, this family pattern has continued, as evidenced by the high female employment rate. Family policy has persistently been high on the political agenda due to the country's low fertility rate and labor market needs. Estonia has one of the most generous parental benefit systems in the OECD, entitling parents of newborns to benefits equal to her/his previous salary for 435 days. This system, which has been in place since 2004, has been revised several times in order to make it more flexible and gender neutral. The amendments have extended the period in which parents can take parental leave from one and a half years to three years, and parental leave can now be divided over several periods according to the parents' choice. Another important change was an effective increase in fathers' parental role, as the joint parental leave period was extended to two months and paid leave for fathers was extended by 30 days. The latest amendments (which have been in force since April 2022) grant parents an extra 10 days of paid holiday per parent until the child reaches 14 years of age.

While the parental benefit system prioritizes stay-at-home parents over working parents of small children, access to preschool childcare is generally good for over-threes and reasonably affordable. Only 5% of preschoolers did not attend a nursery because of a lack of places. Limited capacity for special needs children has recently been identified as a significant issue (Lang et al. 2021)

Citation:
Lang et al. (2021) Alushariduse ja lapsehoiu uuring.
https://www.sm.ee/sites/default/files/alushariduse_ja_lapsehoiu_uuring.pdf

Pensions

Pension Policy
Score: 6

Estonia has had a three-pillar pension system since 2002. In 2019, a reform of the mandatory second pillar was provoked by the poor performance of pension funds, high administrative costs and minimal choice for citizens. Despite legal amendments that relaxed investment restrictions and imposed reduced rates for administration costs, the conservative Pro Patria party's plan to make the second pillar voluntary and allow people to withdraw their funds before retirement was implemented in 2021. By the end of 2021, 24% of all second pillar assets that were owned by the 23% of insured people aged under 60 were withdrawn. Nearly half (48%) of leavers composed people aged 35–49, which is seen as one of the major sustainability risks.

Making the second pillar voluntary puts additional pressure on the first, PAYG pillar. The public pension fund is already running an annual deficit close to 2% of GDP and political promises to increase pensions extraordinary, beyond indexation could further undermine sustainability. Regardless of annual indexation, the average level of a public old-age pension is modest (€91 per month) and poverty among the elderly remains a concern.

Citation:

ERR (2021). <https://www.err.ee/1608162478/teisest-sambast-lahkujad-votavad-valja-1-29-miljardit-eurot> (accessed 02.01.2022)

Integration

Integration Policy
Score: 7

Since the Soviet period, Estonia has had a large non-native population. Russian speakers – ethnic Russians and other Slavs – compose almost a third of the population, 16% of whom are foreign born. The national immigration policy has been regularly updated and monitored, with the government allocating substantial national and EU funds to various integration programs. All government activities are framed by the national development plan Integrating Estonia 2020.

In national elections, only Estonian citizens can vote and register as candidates. Permanent residents without Estonian (or other EU) citizenship can vote in municipal elections but cannot stand as candidates. An increasing number of Russian-speakers who hold Estonian citizenship are employed in the civil service, belong to the political elite and stand as candidates in elections. However, the electoral turnout of Russian-speakers remains lower than the national average. Several public and private initiatives have sought to facilitate civil society activism among ethnic minorities, yielding some visible progress. The differences in the economic and social situation are decreasing, but people of other nationalities are more vulnerable in the labor market during recessions. Until now, Estonia has had an education system separated on the basis of language, but this has started to change. Increasingly, more ethnic minority children study in language immersion groups/classes in preschools and Estonian-language elementary schools. Plans to introduce a unitary, primarily Estonian-language-based school system have been mooted since the 1990s, but have faced resistance from the Russian-speaking community and practical obstacles (e.g., the poor language proficiency of teachers).

Beyond policies on integrating immigrants from the Soviet period, programs to integrate refugees and new immigrants. To help newly arrived immigrants settle in and acquire knowledge, skills and proficiency in the Estonian language, they can choose to participate in an introductory welcoming

program. Additionally, the Ministry of the Interior supports and empowers public, private and third-sector organizations working on a day-to-day basis with newly arrived immigrants by building support networks and developing public services. According to survey data, 70% of new immigrants rate their adaptation in Estonia as very good or close to excellent, 32% of new immigrants interact with Estonians almost every day and 24% do so at least once a week (Praxis et al. 2021). The overall number of new immigrants has been modest and most of immigrants settle in English-speaking work environments in Tallinn, or arrive from Ukraine or Russia, which eases integration into the Russian-speaking sphere of society.

Citation:

Praxis et al. (2021). Estonian integration Monitoring 2020. Tallinn: Ministry of Culture. <https://www.kul.ee/en/estonian-integration-monitoring-2020> (accessed 02.01.2021)

Safe Living

Internal Security
Policy
Score: 8

Public safety has steadily increased and crime rates have declined over the preceding decade. Multiple factors have contributed to greater public safety. Alcohol consumption – a major cause of severe traffic accidents and violent behavior – has declined as a result of stricter alcohol policy and increased public awareness of healthy living. Increased funding for the police and the border guard has been another positive change, which has enabled better human and technological resourcing, and more efficient policing.

While alcohol consumption has decreased, drug-trafficking and cybercrimes are increasing challenges. Cyber threats are addressed mainly via awareness-raising activities, whereas placing greater emphasis on secure borders is particularly important in combating human and drug-trafficking. In 2020–2021, additional investment has been committed to improving the infrastructure of the Estonia’s eastern border (Siseministeerium 2021). Cooperation between tax authorities, border authorities and the police domestically and internationally with neighboring countries will be key to successfully tackling this challenge. The border guard and police force enjoy high levels of public trust (Turu-Uuringute AS 2021), which helps to address safety problems more efficiently as envisaged in the Internal Security Development Plan 2015 – 2020.

Estonia Drug Report 2019. European Monitoring Centre for Drugs and Drug Addictions. http://www.emcdda.europa.eu/countries/drug-reports/2019/estonia_en (Accessed 14.10.2019)

Turu-Uuringute AS 2021. Eesti elanikkonna turvalisuse uuring. Tallinn: Politsei- ja Piirivalve Amet. <https://www.politsei.ee/files/Anal%C3%BC%C3%BCs%20ja%20statistika/2021-ppa-elanikkonnauuring-raport.pdf?788f119e8f>

Siseministeerium 2021. <https://www.siseministeerium.ee/uudised/valitsus-toetas-siseminister-jaani-ambitsioonikamat-idapiiri-valjaehitamise-plaani>

Global Social
Policy
Score: 9

Global Inequalities

Estonia actively participates in international humanitarian interventions through the European Union and United Nations. Estonia's development cooperation policy is regulated by the Estonian Development Cooperation and Humanitarian Aid Program 2020–2023, which takes the United Nation's Millennium Development Goals (MDGs) as a starting point. The strategy details Estonia's development objectives, main fields of activity and identifies major partner countries. The priority partners are the former Soviet Republics – Georgia, Moldova, Belarus and Ukraine, as well as Afghanistan. Estonia is active across various fields, although special efforts have focused on transferring knowledge in education, healthcare and e-government. Estonia is a world leader in the dissemination of domestic expertise in implementing ICT in public administration and education. In 2020, Estonia helped alleviate the impact of the coronavirus in Ukraine, Georgia, Armenia, Montenegro, North Macedonia, Syria and the region, Venezuela, Sudan, Libya, Yemen, and Bangladesh.

The total amount of funds available for development assistance in 2019 amounted to €43.3 million, which is 0.16% of the gross national income. Two-thirds of it is devoted to multilateral cooperation and one-third to bilateral cooperation. The budget for humanitarian aid in 2020 amounts to around €3.5 million.

In parallel to government efforts, NGOs and private enterprises work in the field of international development. Awareness-raising campaigns in the fair-trade movement offer one example of NGO activity. Due to the country's open economic policy and the absence of protectionist measures, fair-trade products can be found in most Estonian supermarkets.

Ministry of Foreign Affairs (2019). Overview of Estonian Development Cooperation. https://vm.ee/sites/default/files/content-editors/development-cooperation/arengukoostoo_infolehed_uldine_0.pdf (accessed 03.01.2022)

III. Environmental Policies

Environment

Environmental
Policy
Score: 7

The Ministry of Environment manages an integrated system of environmental protection, which covers the entire country, and ensures the preservation of the environment and sustainable use of natural resources. The Ministry of

Economic Affairs and Communication is responsible for the energy sector and efforts to address climate change. Currently, Estonia is negotiating the national plan for the EU climate Fit for 55 package, which revises or expands the previous climate targets. The next national development plan for the energy sector, which will run until 2030, was approved in October 2017. It aims to increase the proportion of total energy consumed supplied by renewable energy sources to 50%, generate 80% of heat energy from renewable sources and limit vehicular fuel consumption to 2012 levels by 2030. Various efforts to increase the energy efficiency of buildings are already being implemented, with further measures planned (e.g., new buildings must conform to a near zero-energy standard).

Estonia needs to improve the collection of packaging waste and increase the recycling of bio-waste, as the country is struggling to achieve the 50% target for recycling and preparing for reuse of municipal waste set out in the EU Waste Framework Directive. The targets for municipal waste recycling will be increased (55% by 2025, 60% by 2030 and 65% by 2035), and the implementation strategy includes awareness-raising as well as an increase in the prices for unsorted waste.

Estonia has invested significantly in renovation and water infrastructure. As a result, water pollution has decreased and the quality of tap water has improved. However, most of the country's lakes and rivers are very small, and therefore highly sensitive to any pollution whatsoever. More than half of Estonia's territory is forested. Commercial forests account for 75% of all forest area, while the remaining 25% has been placed under various protection regimes. Yet, deforestation has been gathering pace in recent years – the country lost 18% of tree cover between 2000 and 2020, half of it in the last five years of the period (Global Forest Watch). Citizens are sensitive to the issue and there is significant public demand for more responsible forest management.

Finally, Estonia has a rich biological diversity, being home to a wide variety of wildlife species. To keep the population of its main species stable, the government regulates hunting through licensing and limits. One of the main risks for biodiversity is increasing traffic and road construction, though the newest roads have been constructed in accordance with environmental protection regulations. Strong emphasis has been put on environmental concerns in the process of planning the route for the Rail Baltic high-speed railway.

Citation:

Global Forest Watch, <https://www.globalforestwatch.org/dashboards/country/EST/>, accessed 22.02.2022.

Global
Environmental
Policy
Score: 7

Global Environmental Protection

Estonia has joined most important global and European agreements, and displayed its commitment to these international agreements and targets. Estonia has ratified the Paris Agreement, and is taking steps to switch to more environmentally sustainable economic and behavioral models. Estonia agreed to the EU energy and climate goals for 2030, and is negotiating a national plan of the Fit for 55 package. By 2050, Estonia aims to decrease greenhouse gas emissions by nearly 80% compared to 1990. In 2021, it was announced that the country will phase out the production of electricity from oil shale, which carries a big carbon footprint, by 2030. Its share in electricity production has already drastically decreased in recent years, from 86% in 2013 to 40% in 2020 (Truuts & Pukk 2021).

Estonia actively participated in the UN Climate Change Conference of the Parties (COP26) in Glasgow and co-organized several side events. The Estonian government occasionally contributes to the global fight against climate change by supporting the export of green technologies to developing countries. To support countries most at risk from climate change, Estonia contributed €1 million in 2021 to the Global Environment Facility hosted Least Developed Countries Fund.

A global bottom-up civil society movement, World Cleanup Day, was born in Estonia and has become one of the largest contemporary civil society movements worldwide. In 2019, 180 countries and 20 million people came together to rid the planet of trash – cleaning up litter and mismanaged waste from beaches, rivers, forests and streets.

Citation:

<https://www.worldcleanupday.org/about/>

Ministry of Environment 2021. <https://envir.ee/en/COP26EE> (accessed 03.01.2021)

Truuts, Helle & Pukk, Piret (2021), Elektri tootmine taasiseseisvunud Eestis – põlevkivist taastuenergi. Statistikaamet. <https://www.stat.ee/et/uudised/elektri-tootmine-taasiseseisvunud-ee-estis-polevkivist-taastuenergi>

Robust Democracy

Electoral Processes

Candidacy
Procedures
Score: 10

The principles of fair and free elections are laid out in the Estonian constitution. Estonia has a proportional representation electoral system, which means that most candidates are registered within party lists. The composition of party lists is a matter of internal procedures that are set by the statute of the political party. Only officially registered political parties can nominate candidate lists in parliamentary elections. In order to be registered, a political party must have at least 500 permanent members, the lists of whom are made public online. For each candidate, a deposit equal to the monthly minimum wage must be paid. In addition to political parties, two or more citizens can form an election coalition to participate in municipal elections. Every person who has the right to stand as a candidate may nominate him or herself as an independent candidate. Independent candidates can participate in parliamentary, local and European Parliament elections.

The largely ceremonial Estonian president is elected by the parliament or a special Electoral College composed of members of parliament and representatives of local councils. Candidates must be nominated by at least one-fifth of the serving members of parliament.

Citation:
Estonian National Electoral Committee <https://www.valimised.ee/en>

Media Access
Score: 9

Candidates and political parties have fair and equal access to the public broadcasting and TV networks. Access to advertising on private networks and online, however, depends on the financial resources of the political parties. Therefore, smaller political parties and independent candidates have significantly limited access to mass media. There is no upper limit on electoral campaign expenses, which provides significant advantage to candidates and parties with more abundant financial resources. However, these disparities do not follow a coalition-opposition divide, nor is there discrimination on the basis of racial, ethnic, religious or gender status.

Voting and
Registration
Rights
Score: 10

Because of the high internet penetration rate, various web and social media tools are becoming widely used in electoral campaigns, including election portals run by public and private media outlets. While this has so far helped candidates to reach a wider public cheaply, the parties have recently increased their online advertising expenditures.

The Estonian constitution and relevant laws guarantee universal suffrage. The voting age is 18 for national and European elections, and 16 for municipal elections. About 6% of the population (or 16% of the voting-age population) are non-citizens who cannot vote in parliamentary elections, but have the right to vote in local elections. EU citizens residing in Estonia can vote in municipal and European Parliament elections. Estonian citizens residing abroad (about 10% of the electorate) can vote in all Estonian elections either at an Estonian embassy or online. The amendments to the Referendum Act and the election acts (2021) allow voters to choose the most convenient polling station in their electoral district.

The state authorities maintain the voter register based on the population-register data. Eligible voters need to take no action to be included in the voter register. Each registered voter is informed by e-mail about all voting options, including the voting day, the location and opening hours of polling places in their municipality.

To facilitate participation in elections, Estonia uses advanced-voting, home-voting and internet-voting. Advanced voting is open for six days prior to election day. Advanced voting and online voting are increasingly popular. In the 2021 municipal elections, 39% of all votes were cast prior the voting day, while 47% were cast online.

Ethnic minorities' modest degree of engagement in election processes has been a long-standing issue of concern. To tackle the problem, state authorities are providing more voting information in Russian. The National Electoral Committee (NEC) website now offers election information in three languages (Estonian, Russian and English). Additionally, tools for disabled persons have been added to the website.

Citation:
<https://www.valimised.ee/en>
<https://www.valimised.ee/en/voting-polling-places-becomes-more-flexible-year> (visited 22.12.2021)

Party Financing
Score: 10

Financing of political parties is regulated by the Act on Political Parties (APP). All parties have to keep proper books and accounts, specify the nature and value of donations and membership fees, and publish their financial records regularly on their party's website. An independent body, the Political Party Financing Supervision Committee (PPFSC), monitors whether parties have

properly declared all financial resources and expenditures; the committee can also impose sanctions when parties have violated the law.

The regulatory and investigative powers of the PPFSC have been expanded several times through amendments to the APP. At the end of 2021, the Ministry of Justice started preparing a further series of amendments that will significantly expand the powers of the PPFSC, and introduce tougher sanctions for individuals and firms that have made illegal donations to political parties.

Citation:

<https://www.err.ee/1608388751/seadusemuudatus-annaks-erjk-le-pisut-oigusi-juurde> (visited 22.12.2021)

Popular Decision-
Making
Score: 4

According to the Estonian constitution, referendums can be initiated by the national parliament (Riigikogu); citizens do not have the power to initiate a referendum. Municipalities can organize referendums on local issues, but their outcomes are non-binding. According to the Local Government Organization Act, popular local initiatives signed by at least 1% of the municipal population must be discussed by the local council, although this provision is rarely exercised.

There is strong public support for the introduction of a binding referendum mechanism at the national level and the issue is occasionally raised by opposition parties. However, no progress has been made toward this goal. Instead of referendums, a 2014 measure enables citizens to initiate amendments to existing laws or propose new laws. To start the parliamentary proceedings of this kind, the proposal must be signed by at least 1,000 people, must include an explanation why the current legal regulation is not satisfactory, and must describe what kind of amendments should be made. An online platform (rahvaalgatus.ee) is available through which citizens can initiate the process and collect signatures. Annually, about 10 initiatives enter the parliamentary agenda and several popular initiatives are included in legislative amendments currently under consideration.

Access to Information

Media Freedom
Score: 9

Estonia follows a liberal approach to media policy, with minimal legal restrictions. The Estonian Public Broadcasting (ERR) company is constituted under the Estonian Public Broadcasting Act and governed by a ten-member council. Based on the principle of political balance, five of these members are specialists in the fields of culture, while the other five represent different political parties that hold seats in the national parliament. Members of the ERR Council are elected for five years (members of parliament until the next parliamentary elections).

Private audiovisual media services and radio services are regulated under the Media Services Act (2010), which defines procedures and principles for service provision. A series of amendments in 2022 have clarified principles concerning the freedom to publish content and political balance during election campaigns. All providers of radio and TV services must apply for a fixed-term license in Consumer Protection and Technical Regulatory Authority.

Issuing private newspapers and magazines is not specifically regulated, they operate on free market principles. An umbrella organization, Eesti Meediaettevõtete Liit, represents the interests of its members and advocates policymaking initiatives.

Globally, Estonia has been ranked high on the World Press Freedom Index by Reporters Without Borders for several years. In 2019, Estonia ranked 11 out of 180 countries. But a year later when EKRE, a populist right wing party, was in the governing coalition (2019–2021), Estonia dropped to 15th place in the rankings. On several occasions, government ministers refused to provide information to journalists at press conferences without giving any valid reason. Although the sitting government (in power since 26 January 2021) does not include the EKRE, limiting access to information and avoiding clear responses to journalists' questions has remained a problem.

Citation:

Reporters without Borders, RWB 2021. <https://rsf.org/en/estonia> (accessed 07.01.2022)

Media services act 2010. <https://www.riigiteataja.ee/en/eli/514032022003/consolide>

Media Pluralism
Score: 9

Although several national newspapers and TV channels exist in the country, media ownership is increasingly concentrated. In addition to Estonian Public Broadcasting (ERR), there are two large private media companies owned by domestic investors (the Ekspress Group and the Eesti Meedia Group). These companies dominate the print and electronic media market. Print newspapers are struggling with decreasing readership figures and increasing expenses, which has resulted in some media outlets closing and other outlets moving to online only content. Several weeklies (e.g., the Teachers' Gazette and the cultural weekly Sirp) receive government funds.

High internet and cable-TV penetration rates ensure that most of the population can still access a diverse range of media channels. All major newspapers provide content online and there are two major online only news portals. One of these is publicly funded and run by ERR, while the other, Delfi, is owned by the private Ekspress Group. All TV and radio channels offer an online presence. Another significant development has been the spread

of independent blogs and portals, which provide in-depth stories and analysis that is less and less found in mainstream media. These online publications, such as Edasi (edasi.org), and blogs, such as Levila, Poliitikaguru and Sharpminder, enjoy an increasing number of followers and enrich the existing media landscape. They are funded by subscription or are self-reliant for funding.

Access to
Government
Information
Score: 10

The main principles of access to public and official information are laid out in the constitution. Additionally, the Public Information Act has been in force since 2001, and the Personal Data Protection Act (PDPA) since 2007. The act is enforced by the Data Protection Inspectorate (DPI), which acts as an ombudsman and preliminary court, educator, adviser, auditor and law-enforcement agency.

Because internet use is widespread in Estonia, the strategic policy has been to advance access to information by using official websites and portals. Estonia keeps an official gateway to all government information and public services (eesti.ee). All municipalities, political parties and government institutions must maintain a website, which must contain at least the information defined by legal acts. The situation is annually monitored and evaluated by the DPI. The DPI also monitors state authorities' web pages and document registries.

Public access to information must be prompt and straightforward, with restrictions strictly defined by law. Any citizen or resident can submit an oral or written information request to the government and officials must provide a response within five working days. The obligations of authorities under the Public Information Act are not only to provide information, but also to assist the public in accessing documents. In conjunction with the European Union's GDPR, the national PDPA was amended in 2019.

Civil Rights and Political Liberties

Civil Rights
Score: 9

Civil rights are widely respected and government does not interfere in the activities of the courts. Equal access to the law and equal treatment by the law are legally guaranteed. The courts are seen as independent by 64% of citizens and by 57% of enterprises, which is well above the EU average. Time needed to resolve civil, commercial and administrative cases shows the second lowest figure in the European Union. The same is true for the number of pending cases. (European Commission 2021)

Primary legal advice is free for citizens, dependent on the discretionary decision of the court. Estonia is one of the few EU member states where the right to legal aid is not linked to the income of the applicant. The court fees, at the same time, can be rather high, which places low-income persons in a worse

position. Moreover, in consumer cases, the court fee is proportionally much higher in low value claims compared to high value (over €6,000) claims.

Besides the courts of law, the chancellor of justice plays an important role in ensuring civil rights. She ensures that authorities and officials performing public duties do not violate people's constitutional rights and freedoms, and that persons held in detention are not treated in a degrading, cruel or inhumane way. Individuals can bring concerns directly to the Chancellor's Office or send a letter detailing the issue of concern.

Citation:

European Commission (2021) The 2021 EU Justice Scoreboard. https://ec.europa.eu/info/sites/default/files/eu_justice_scoreboard_quantitative_factsheet_2021_en.pdf (accessed 23.12.2021)

Political Liberties
Score: 10

Political liberties are an important part of Estonia's constitution and they are widely respected in society. There are 11 political parties, which collectively cover the entire spectrum of mainstream political ideologies are registered and active. The Estonian Trade Union Confederation (EAKL), which is comprised of 20 branch unions, represents employees' interests in collective-bargaining agreements and protects employees' rights in employment relations. It also consults employers on developing a sustainable labor market and participates in policymaking. Civil society groups organize open forums to discuss important social and political issues. One such forum, the Arvamusfestival (Opinion Festival) is held annually since 2013. There is no state church in Estonia and religious freedom is guaranteed through the presence of 10 religious associations. During COVID-19, restrictions on public events and gatherings have been modest compared to many other European countries. Some peaceful protest meetings against the COVID-19-related restriction were held in 2020–21.

Non-discrimination
Score: 8

Discrimination is prohibited by law, and several governmental institutions have been established to ensure non-discrimination. Alongside the Chancellor of Justice, the Gender Equality and Equal Treatment Commissioner (GEETC) acts as an independent and impartial expert tasked with monitoring the issue of discrimination. Besides handling citizens' appeals and monitoring the overall situation, the GEETC office puts significant effort into awareness-raising activities.

Gender equality has been a long-standing challenge, and is reflected in the largest gender pay gap in Europe and the highest share (50%) of citizen appeals to the GEETC. Hence, despite several programs and measures introduced by the government to combat gender pay gaps and labor market inequalities, fundamental is still needed.

Appeals against discrimination on grounds of disability, age and ethnicity compose about 8–12% of all appeals, a proportion that has remained unchanged in recent years.

LGBTQ+ rights continue to be disputed. The Registered Partnership Act (2016) allows same-sex couples to register their partnership, but secondary legal acts are still missing because of heavy opposition from conservative parties. Conservative parties (EKRE and IL) attempted in 2020 to organize a public referendum to define marriage constitutionally as the union between a man and a woman. The parliament rejected the proposal and the plan was shelved after the change of government two weeks later, partly because of disagreements over the issue. The sitting government has not made any steps in either direction concerning marriage and LGBTQ+ rights.

Gender Equality and Equal Treatment Commissioner (2020). Annual Report. https://volinik.ee/wp-content/uploads/2020/05/Voliniku-2019_aasta-tegevuste-u%CC%88levaade_webmai2020.pdf

Rule of Law

Legal Certainty
Score: 10

The rule of law is fundamental to Estonian government and administration. In the period of transition from communism to liberal democracy, most legal acts and regulations had to be amended or introduced for the first time. Joining the European Union in 2004 caused another major wave of legal reforms. These fast and radical changes, which occurred over a short period of time, produced some inconsistencies. Today, a consistent and transparent system ensuring legal certainty is in place.

Judicial Review
Score: 10

The structure of the Estonian court system is one of the simplest in Europe. The system is composed of one level of county courts (4) and administrative courts (2), a higher second level of circuit courts (2) and the Supreme Court at the top level. The Supreme Court simultaneously serves as the highest court of general jurisdiction, the supreme administrative court, and the Constitutional Court. The Supreme Court is composed of several chambers, including an administrative law chamber. Administrative courts hear administrative matters. There are two administrative courts in Estonia, made up of 27 judges (about 10% of all judges employed in Estonia's court system). Most judges in Estonia are graduates of the law school in Tartu University; however, there are also BA and MA law programs in two public universities in Tallinn. In total, the national government recognizes 11 study programs in law.

Judges are appointed by the national parliament or by the president of the republic for a lifetime, and they cannot hold any other elected or nominated position. The status of judges and guarantees of judicial independence are established by law. Together with the Chancellor of Justice, courts effectively supervise the authorities' compliance with the law, and the legality of the

Appointment of
Justices
Score: 5

executive and legislative powers' official acts.

Justices of the Supreme Court are appointed by the national parliament, on the proposal of the chief justice of the Supreme Court. The chief justice of the Supreme Court is appointed to office by the national parliament on the proposal of the president of the republic.

While transparent and legitimate, the appointment processes rarely receive public attention or media coverage. Supreme Court justices are rarely, if ever, criticized for being politically biased.

Corruption
Prevention
Score: 9

Abuses of power and corruption have been the subject of considerable governmental and public concern. On the one hand, Estonia has established a solid institutional and legal structure to prevent corruption, with the National Audit Office, the parliamentary Select Committee on the Application of Anti-Corruption Act, the Supervision Committee and the Anti-Corruption Act. On the other hand, cases of illegal conduct among high-level civil servants, municipality officials or political-party leaders do emerge from time to time. Such cases can be regarded as evidence of efficient anti-corruption policy. However, they also indicate that loopholes remain in the public-procurement process and in party-financing regulations, for example.

As a further step in fighting corruption and abuses of power, all legal persons have been required to make public their beneficial owners through the business register from 1 September 2018. Yet, lobbying remains unregulated, despite the Group of States against Corruption's (GRECO) recommendations. Political party financing is regulated by the Act of Political Parties and monitored by a special body, the Political Parties' Financing Surveillance Committee.

The number of registered corruption offenses decreased substantially in 2019–2021, with the largest decline being in healthcare sector. Most corruption offenses relate to bribery and abuses of power in public procurement. The number of municipal-level corruption cases has decreased, with most cases (49%) occurring in the governmental sector.

The factor of concern is that during the first coronavirus wave, government support for enterprises was channeled through the government-controlled foundations KredEx and MES without transparent rules. Eventually, some criminal cases were opened (a Porto Franco loan from Kredex and a case against the management board of MES) regarding non-purpose loans/grants they have delivered.

Good Governance

I. Executive Capacity

Strategic Capacity

Strategic
Planning
Score: 6

The supporting structures of government in Estonia are mainly located in the line ministries. The Government Office (GO) includes the Strategy Unit, which supports and coordinates the drafting of strategic development plans and government action plans, and monitors the implementation of these policy documents. It has increased in staff size in recent years (from nine in 2015 to 16 in 2021) and has a central role in coordinating the national strategy, Estonia 2035.

The national strategy is closely related to the process of the state budget strategy. Meetings of the prime minister and ministers take place every year, where the achievement of the strategic goals of Estonia 2035 and any necessary changes are discussed. Prior to the state budget strategy meetings, the strategy director of the GO provides an overview of the state of implementation of Estonia 2035 at a meeting of the cabinet of ministers, highlighting possible bottlenecks in the implementation of the strategy. Although the administrative process of strategic planning is well established, members of parliament from various parties remain skeptical about the real effect of the Estonia 2035 plan (Riigikogu Toimetised 2020). In addition to the Strategy Unit, there is also the Prime Minister's Bureau, which is comprised of experts in various policy areas who advise the prime minister. Different from the Strategy Unit, this body is mostly linked to the prime minister's political party and its members change with each new prime minister.

In 2017, the Foresight Center (FC) was established by the parliament to carry out long-term social and economic analyses, and draft development scenarios. The center consults parliamentary committees, but has only an implicit connection to the executive. The FC has implemented several policy analyses

(e.g., examining the future of the tax system, healthcare and long-term care, the sustainability of the pension system, and mobility and transport scenarios), but no policy reforms have so far been initiated on the basis of these analyses. In 2021–2022, the FC staff size and budget was reduced.

Citation:

Riigikogu Toimetised 2020, vol 4. <https://rito.riigikogu.ee/eelmised-numbrid/nr-42/>

Expert Advice
Score: 7

The extent and impact of academic consultation is framed by the overall pattern of government decision-making. Limited strategic capacity in the center and a tendency to pass policy-formulation initiatives to the line ministries makes the overall picture fragmented. The final reports of the research projects are made publicly available on the websites of the governmental institutions that requested the study. However, the majority of the studies are commissioned simply to obtain overviews of problems or provide evidence for the government’s standpoints.

Other forms of non-governmental expert consultations (e.g., roundtable discussions and workshops) are rather widespread. In preparing the long-term “Estonia 2035” strategy, experts and opinion leaders have been regularly engaged, while the relevant website enables interested citizens to participate in and interact with developing the strategy. However, these events are often held pro forma and do not lead to effective policy change.

Interministerial Coordination

GO Expertise
Score: 6

The GO and prime minister’s support structures primarily provide consulting services, monitor governmental processes and provide technical (judicial) expertise. There is no capacity to undertake substantial evaluations of line-ministry proposals, as the Strategy Unit within the GO employs only 16 people. From 2020, the core responsibility for the country’s strategic planning framework has been transferred from the Ministry of Finance to the GO. The change grants the prime minister more power to manage strategic planning.

Line Ministries
Score: 5

Two different forms exist to communicate line ministries’ proposals to the GO. Firstly, all policy initiatives are discussed in the coalition council. Secondly, the cabinet informally examines all substantial issues at its weekly meetings. No binding decisions are made in the meetings, the main function being to exchange information and to prepare for formal government sessions. Under current government (in office since January 2021) advance communication between line ministries and the Prime Minister’s Office has weakened, and line ministries sometimes act independently.

Cabinet
Committees
Score: 2

Estonia does not have a committee structure within government, or any ministerial committee. Ministers informally discuss their proposals and any other pending issues at weekly consultative cabinet meetings. No formal voting or any other selection procedure is applied to issues discussed in consultative meetings.

Ministerial
Bureaucracy
Score: 10

Formal procedures of coordinating policy proposals are set in the rules of the national government. According to it, all relevant ministries must be consulted and involved in a consensus-building process before an amendment or policy proposal can be brought to the government. In addition to this formal procedure, senior civil servants from the various ministries consult and inform each other about coming proposals; deputy secretaries general are key persons in this informal consultation process. The entire consultation process is run via an online system of draft laws, the Information System for Legal Drafts (Eelnõude infosüsteem, EIS).

Informal
Coordination
Score: 7

Informal coordination has played an important role in ensuring efficient policymaking. In addition to contacts between high-ranking civil servants in ministries, the coalition committee and governing bodies of political parties have been key players in this regard. Getting support from coalition partners is generally the first step in successfully passing legislation.

Digitalization for
Interministerial
Coordination
Score: 10

The Estonian government has pioneered a large-scale use of information technologies. The Information System for Legal Drafts (Eelnõude infosüsteem, EIS) is used to facilitate interministerial coordination and public consultations online. The EIS allows users to search documents currently under consideration, participate in public consultations and submit comments on draft bills. Draft bills are submitted to the government and parliament via the EIS.

Policymaking and policy monitoring are further supported by an interoperable data exchange platform X-Road, an integrated system that facilitates the exchange of data between different organizations and information systems. Over 900 enterprises and organizations use X-Road daily. X-Road is also the first data exchange platform in the world that allows data to be exchanged between countries automatically. Since June 2017, an automatic data exchange capability has been established between Estonia and Finland.

Evidence-based Instruments

RIA Application
Score: 8

Estonia has not made any major changes to its regulatory framework since 2014, when regulatory impact assessments (RIAs) were introduced. Responsibility for the development and monitoring of RIAs is shared between the Ministry of Justice and the GO's Strategy Unit, with the latter taking a leading role in coordinating stakeholder engagement in policymaking across

government and in regard to EU-related issues. Formal RIA procedures are well established, with all relevant normative acts, manuals and guidelines accessible on a dedicated website.

RIAs are mandatory for all categories of legal acts and selected subordinate regulations. Full RIAs are rarely conducted, but simplified RIAs are included in every explanatory letter for a draft law. The level of analysis contained within them has deepened over time.

Citation:

OECD (2021). Regulatory Policy Outlook. Estonia. <https://www.oecd-ilibrary.org/sites/06899687-en/index.html?itemId=/content/component/06899687-en> (accessed 07.01.2022)

Quality of RIA
Process
Score: 5

Legal regulations established by governmental decree (2012) require involvement by relevant interest groups and public consultations in the lawmaking process. It must be formally documented which interest groups have been involved, what their proposals have been and to what extent the proposals have been taken into account. All this information is publicly available in the explanatory paper accompanying the draft law. Alongside these formal requirements, involving stakeholders and hearing their opinions has become a common practice. However, stakeholder involvement needs to be improved. RIA analyses are not communicated to the public, and only those partners closely participating in the process are sufficiently informed. RIA results are not subject to regular evaluations by an independent body, and far more stress is put on the further elaboration of impact-assessment methods than on making use of results to create better policies.

Sustainability
Check
Score: 6

The dimension of sustainability is included in the methodological guidelines for RIA. The guidelines demand an assessment of the reviewed policy's impact over the short, medium and long term. However, sustainability concerns are given a marginal role in the impact-assessment process overall. The existing set of indicators is not explicitly linked to the sustainability check.

Estonia's long-term strategy Eesti 2035 presents an integrated vision for the country's balanced and sustainable development. Nine national priorities, presented in the strategy, explicitly reference the 17 SDGs.

Quality of Ex
Post Evaluation
Score: 7

The Strategy Unit of the Government Office is responsible for the overall quality of policymaking, including the evaluation of policy effectiveness and development of a knowledge base for future reforms. In general, ex post evaluations take place three to five years after the implementation of the regulation, and cover areas of competition, administrative burden and regulatory overlap. The first ex post evaluations were undertaken in 2018.

More recently, in-depth reviews have begun to be conducted in some policy areas, but the evaluation framework is not fully established yet. The publication of ex post evaluations remains at the discretion of the relevant minister and the use of analyses results is not systemic. The objective to increase the proportion of ex post evaluations set out in the new strategy document Principles for Legislative Policy until 2030, which was adopted in November 2020.

Societal Consultation

Public
Consultation
Score: 7

Consultations with societal actors are regulated by government guidelines contained in the Good Engagement Practices (GEP) document, approved in 2011. Although not legally binding, it prescribes in detail procedures for engaging social stakeholders in the policymaking process. Once a year, the Government Office presents an overview of the GEP's implementation to the government. All ministries employ an engagement coordinator who assists interested citizens and advocacy groups.

Existing regulations and established practices render it almost impossible to avoid interest groups' involvement in the policymaking process. The main focus is on consultations during the preparatory phase, when a broad range of societal actors is typically involved. However, at later stages, only those advocacy organizations tending to be supportive of the proposed policy are invited to the table. Thus, corporatist tendencies are becoming apparent that are not entirely in accordance with GEP principles. Furthermore, engagement practices have not yet been extended to the policy-implementation or policy-evaluation phases.

Policy Communication

Coherent
Communication
Score: 4

Government ministries have remarkable power and autonomy. Ministers from the various coalition parties sometimes make statements that are not in line with the general government position or have not been properly discussed by all the coalition partners. This tendency has become more pronounced since 2019 and continues despite the cabinet change in 2021. Ministers from the different coalition parties and top-level civil servants issue contradictory statements, a pattern that has intensified due to the extraordinary COVID-19 crisis.

Implementation

Government
Effectiveness
Score: 7

The Basic Principles of the Government Coalition for 2021 – 2023 are stipulated in the coalition agreement and the Government Action Plan.

Additionally, a 100-day program for the first government period (January – May 2021) is publicly available on the government’s website. In contrast to the previous cabinets, the sitting government has set very few meaningful statistical indicators and benchmarks. This makes evaluation of government performance difficult. Major activities in 2021 have been the adoption of various development plans and coping with the impact of COVID-19.

Ministerial
Compliance
Score: 8

Estonia typically has coalition governments; reaching an agreement on priorities and goals of the future government is the core issue of the cabinet-formation process. After a coalition cabinet is sworn in, it generally acts in accordance with the government program and rules of procedure signed by all coalition partners. The process of program implementation is coordinated by the coalition committee, comprised of a representative of each coalition partner. Compared to some previous governments, the sitting coalition places less emphasis on the coalition committee, instead discussing most issues openly at cabinet meetings. Government decisions are made on the basis of consensus, which empowers a junior coalition partner to block a policy decision agreed by the other coalition partners.

Monitoring
Ministries
Score: 5

The Prime Minister’s Office has a small staff that performs mainly supportive and technical tasks. Thus, the capacity to monitor the line ministries’ activities from the core executive is limited. Even though the prime minister has little power over ministers, they rarely challenge the government program. Still, sometimes line ministers break with consensus, which results in bilateral talks with the prime minister.

Monitoring
Agencies,
Bureaucracies
Score: 8

Estonian government is horizontally decentralized. This means that besides 11 ministries, there are 22 executive agencies and several foundations established by the government. Foundations have specific policy objectives, often managing implementation of the EU structural funds in Estonia. Foundations are led by a counselor and appointed by a minister. Agencies implement policies within the broader policy area and are accountable to the relevant ministry. Ministers appoint agency directors. These organizational arrangements enable ministries to monitor the activities of executive agencies. However, agencies have grown substantially both in terms of staff and task volume; this may ultimately produce negative effects such as a lack of coordination between the ministry and agency, or misuse of administrative power by executive-agency CEOs. In the framework of governance reform (2019 – 2023), the government has proposed merging the various implementing agencies.

At the beginning of 2018, county governments – the regional arm of the executive branch – were abolished. Their responsibilities have been divided between central government agencies and municipalities. More direct control through the former could enhance monitoring, while giving more powers to the municipalities (and their consortia) could create additional challenges.

Task Funding
Score: 6

Estonian local governments are heavily dependent on financial resources from the central budget as local tax revenue is negligible. Central government defines 83% of municipal revenues and, although funds are allocated on a universal basis, the system produces large inequalities in the financial capacity of municipalities. The merger of municipal authorities in 2018 created larger scales of economy and increased the financial sustainability of municipalities. In addition to administrative measures, the funds allocated by the central government to municipal authorities have been increased and regulations on using targeted transfers have been relaxed. Revision of the land tax rates is also expected to strengthen municipal revenues. More broadly, the government aims to increase local government expenditure as a proportion of total public expenditure.

Constitutional
Discretion
Score: 6

According to the Estonian constitution, local self-governments can independently decide on all local issues. The rights and responsibilities of local governments are stipulated in detail in the Local Government Organization Act. In 2018, former (smaller) municipalities were merged into larger units with a median population of 7,700. The aim of the reform was to enhance local governance capacity and to improve the quality of public services throughout the country. Following the reform, the scope of implementation autonomy has extended. Today, local governments can decide on regional public transport arrangements. Previously, these arrangements had been the task of the former county governments, which had represented the central government and were abolished at the beginning of 2018.

National
Standards
Score: 5

Several public services in Estonia are provided at the local level, although the quantity and quality of services varies greatly relative to the size and capacity of municipalities. The administrative-territorial reform, which merged municipalities into larger units, aims to offer residents better services, and hire more competent employees and officials. The focus is on ensuring that a basic universal list of services is available in each municipality and that the quality of services is more closely monitored. Yet, the implementation process faces serious challenges due to the shortage of qualified labor in regions. According to the annual report of the National Audit Office to the Riigikogu (2020), the shortage of GPs, teachers, policemen and rescue workers has reached a level where the provision of public services in accordance with established quality standards across the country is not possible.

Citation:
Riigikontroll (2020). Esmatähtsate avalike teenuste tulevik. Riigikontrolli aastaaruanne Riigikogule.

Effective
Regulatory
Enforcement
Score: 8

Regulations are generally enforced in an impartial way without discriminating between the political and social status of organizations and enterprises. Some non-governmental foundations – which operate on a non-profit and non-political basis, and act in the public interest – may be tax-exempt. The list of

income tax-exempt foundations is issued annually by the Tax and Customs Board in accordance with the Income Tax Act.

Equal enforcement applies also for businesses in terms of complying with tax obligations, technical and sanitary standards. However, such strict enforcement of regulations is sometimes criticized for penalizing SMEs (e.g., small shops, tourist farms and food providers), which struggle to meet the government's high standards.

Adaptability

Domestic
Adaptability
Score: 9

The most important supranational organization affecting domestic policies is the European Union. After consultations with the parliament and advocacy groups, the government has typically adopted a framing-policy document (e.g., Priorities of Estonian EU Policy 2022 – 2023). Generally, the formation and implementation of national EU policy is the responsibility of the government. An interministerial Coordination Council for EU Affairs is tasked with facilitating coordination of these national efforts. The Coordination Council plans and monitors the initiation and implementation of all EU-related policy activities. Each ministry bears the responsibility for developing draft legislation and enforcing government priorities in its domain.

The Secretariat for EU Affairs within the GO provides administrative and legal support in preparing EU-related activities. The secretariat advises the prime minister on EU matters (including preparations for European Council meetings), manages EU affairs across all government bodies, and offers guidelines for permanent representations. The parliament's European Union Affairs Committee issues political positions on draft EU legislation, provides political opinions and oversees the activities of the government as it implements EU policies. Cooperation with international organizations (e.g., WTO, OECD and NATO) is the responsibility of the Ministry of Foreign Affairs. Even though these structures are well-developed, due to the small size of the country, Estonia cannot avoid being a rule-taker in areas of more marginal national relevance.

International
Coordination
Score: 6

Engagement in international development has traditionally been the responsibility of the Ministry of Foreign Affairs. An interministerial coordination group of cabinet ministers coordinates foreign policy issues.

Besides this basic structure, some line ministries increasingly emphasize international coordination, depending on the changing global security and migration situation. The Ministry of Interior, responsible for migration and asylum affairs, participates in EU efforts to reduce illegal migration across the Mediterranean Sea. Domestically, the Ministry of Interior increasingly

cooperates with the Ministry of Economic Affairs, and the Tax and Custom Board to tackle illegal (immigrant) labor issues. This domestic cooperation is legally framed by the amendments of the Act on Aliens (2018) and the National Action Plan on Prevention of Illegal Labor.

The NATO Cooperative Cyber Defense Centre of Excellence (CDCE) was established on the initiative of Estonia. The CDCE is a multinational and interdisciplinary hub of cyber-defense expertise, which promotes cyber-defense education and R&D, as well as best practices and consultation. Currently, 28 countries participate in the CDCE, which is based in Tallinn.

At the end of 2019, the government declared its support for the European Commission's long-term goal to make Europe climate neutral by 2050 (after initially opposing the goal with three other central and eastern European countries). To coordinate and advance activities in this area, an interministerial commission on climate and energy has been established by the Government Office.

In 2021, Estonia's participation in the OECD's global minimum tax initiative became a sensitive topic for the government. The government had strong reservations and joined only in very final stage of the process. As of the end of 2021, the government is attempting to secure exemption from the relevant EU directive.

Organizational Reform

Self-monitoring
Score: 6

Based on the amount of amended or adopted regulations that deal with institutional arrangements, the government's monitoring activities certainly exist and inform policymaking. Since March 2014, the Act on National Government has furnished the ministerial nomination processes with a new flexibility; it no longer lists ministers, but only sets a maximum number for the government as a whole. This enables nominations to better reflect current needs. Since 2015, a minister of public administration has been nominated. The minister is responsible for monitoring the institutional arrangements of the government sector and proposing reforms if necessary.

Institutional
Reform
Score: 6

Senior politicians and executive officials understand the problem of fragmented policymaking. The overall purpose of these efforts is to increase GDP and improve the quality of governance. In 2019, large-scale government reform (riigireform) was made a top priority. The consolidation of executive offices and government bureaucracy, and increased use of e-government tools are key aims for this ambitious reform. Yet, at the time of writing, the only progress visible has been in the consolidation of various government agencies. In 2020–2021, nine studies of institutional reform were commissioned and

several institutional mergers were implemented.

II. Executive Accountability

Citizens' Participatory Competence

Political
Knowledge
Score: 8

Extensive media consumption and high internet penetration suggest that citizens may be well informed on major policy topics. Besides news media, the websites of ministries and executive state agencies inform citizens about forthcoming policy changes (e.g., the reform of second-pillar pension funds). At the same time, extensive use of social media by various advocacy groups and radical social movements likely increases the dissemination of biased information and fake news. The recent discussions on foreign and domestic policy issues indicate that information is often trivialized and manipulated for political purposes. A few recent surveys have suggested that a significant proportion of citizens act ad hoc or overestimate their awareness (Turu-Uuringute AS 2020). For example, 41% of respondents in a representative opinion poll (Turu-Uuringute AS 2019) stated that they planned to withdraw their money from pension funds when allowed after the forthcoming pension reform, despite 77% of respondents stating that they would have no idea what to do with the money.

Citation:

Turu-Uuringute AS 2020. COVID-19 teemaline küsitlus, dets. 2020.

Open
Government
Score: 8

In line with the overall e-government approach, all public institutions maintain extensive web resources for public use. There have been attempts to harmonize the website architecture of ministries and agencies, but these efforts have only succeeded to a limited extent. As a result, the user-friendliness of web resources varies across institutions. Available information is generally extensive and up to date, but often too detailed and sophisticated for citizens' use; retrospective data (both statistics and legal norms) are not always available. Under the current government, journalists have discovered in several cases (e.g., concerning 5G licenses and the investigation into the provision of state aid to Porto Franco) that government officials have classified documents subjectively and without sound reason.

Legislative Actors' Resources

Parliamentary
Resources
Score: 8

Compared to many other countries, the Estonian parliament (Riigikogu) has a rather modest support structure. All administrative staff are employed by the Chancellery of parliament and can be divided into three categories. The first category includes analysts working in the research department who provide expert advice and produce information sheets and study reports. Because of budget and personnel limitations (10 advisers in total), their studies are typically very limited. There is also the small (six-person), parliamentary Foresight Center, which carries out various ex ante public policy studies. In the course of the latest budget cuts (affecting the 2022 budget), the risk that the Foresight Center will be disbanded has increased. The second category includes standing committee support staff. A standing committee typically has three to five advisers. The third group is made up of the advisers of party groups. In total, there are 31 people working for the six parliamentary party groups. Legislators can use a reading room in the parliamentary building and the National Library, which also serves as a parliamentary library, is located nearby. Members of parliament also benefit from allowances that they can use to order expert analyses, studies or information overviews. Though there is little evidence that the allowances are extensively used for such purposes.

Obtaining
Documents
Score: 10

Parliamentary committees have the legal right to obtain from the government and other executive agencies the materials and data necessary to draft legal acts and evaluate draft-law proposals made by the government. The commission can also invite civil servants from the ministries to participate in commission meeting in order to provide additional information or explain governmental position.

Summoning
Ministers
Score: 10

Permanent committees have the right to request participation of ministers in committee meetings in order to obtain information. However, no information on how regularly committees use this ability is available.

In addition, members of parliament can individually forward written questions and interpellations to the ministers. These must be answered publicly at one of the national parliament's plenary sessions within 20 days.

Summoning
Experts
Score: 10

Parliamentary committees can summon experts for committee meetings. They do this regularly, and to an increasing extent. Each committee determines which experts to call for each particular matter. In addition to ministerial representatives, researchers from universities and think-tank representatives, NGO activists involved in draft-law preparatory work are often invited. The scope of hearings varies depending on the public interest and priority of the issue under investigation.

Task Area
Congruence
Score: 9

The 11 standing committees of the parliament by and large match the structure of the government, which is composed of 11 ministries. In addition to task areas that correspond to ministries, there is also a European Union Affairs Committee that monitors the country's EU policy. Legal affairs are split between two permanent committees, the Constitutional Committee and the Legal Affairs Committee. Cultural and educational affairs both fall under the purview of the Cultural Affairs Committee. The working schedule of the standing committees is established by the Riigikogu Rules of Procedure and Internal Rules Act, with committee work sessions spread over three days and totaling 12 hours per week.

All members of parliament belong to one standing committee (excluding the EU Affairs Committee), with each committee having about 10 members. At present, no standing committee is chaired by an opposition member of parliament, which represents a challenge to the democratic principle of checks and balances.

In addition to the standing committees, there are currently one investigative committee and three special committees. Considering that the members of these task force committees are also full members of standing committees, the workload of several members of parliament is considerable and concerns have been voiced about unreasonable fragmentation under scarce resources. The influence of special committees on the design of reforms has remained marginal in most cases.

Media

Media Reporting
Score: 8

By providing a continuous flow of information and background analysis, the main daily newspapers, TV and radio stations offer substantive information on government plans and policies. There are three national daily newspapers, two main weeklies, two established online news portals, four general content TV channels and three public-radio channels. Together, these comprise the majority of the entire domestic media market (except for radio broadcasting, where music stations account for the largest market share) and provide adequate information and some analysis of government policy. Policy-related information takes different forms, including inserts in regular news programs, interviews with experts, debates between proponents of conflicting views, debates between representatives of government and opposition, regular broadcasts of parliament sessions and government press conferences.

However, there are two important challenges. First, the media tends to pay more attention to the performance of political parties as organizations than to parties' policy positions; media coverage can also be overly simplified or

sensationalist. This is a particularly salient issue in the print media where the small market size means that journalistic competence can be rather low. Secondly, information on government activities is typically not provided in advance of government decisions, but only after decisions have already been made.

Parties and Interest Associations

Intra-party
Decision-Making
Score: 5

Decision-making processes are very similar among the main parties. Formally, each party member can propose issues, but in reality, inner circles of 15 to 20 elite party members make the most important decisions. All parties have an annual congress at which delegates elect the party leader and other governing bodies. One such body is the board, which votes on political decisions, issues statements, and submits proposals to the party's parliamentary group and to the party's members in the government. The board also nominates ministerial candidates when the party is part of a coalition government. Another important decision-making body is the council, which manages the party when the general assembly is not in session. The council is comprised of board members and elected representatives from the various regions. The council negotiates agreements with other parties in the parliament, including decisions on whether to enter a governing coalition. Like the board, the council can also submit proposals to the party's parliamentary group and the party's members in the government. As a rule, it is the council's responsibility to compose and agree upon the lists of candidates for general and European Parliament elections. Local party organizations propose lists for municipal elections.

Association
Competence
(Employers &
Unions)
Score: 6

The Estonian Trade Union Confederation (ETUC) is comprised of 18 branch unions. In comparison to many western European countries, its policy-formulation capacity is rather weak. The head office includes the secretariat that prepares various documents, including draft-law proposals, and organizes cooperation between the members of the confederation; there is no special research or analysis unit responsible for preparing concrete policy proposals. Trade unions are typically invited to contribute to policymaking processes initiated by the government.

The Estonian Employers' Union (EEU) has been more active proposing policies and its analytic capacity has significantly increased in recent years. For example, the EEU was behind the Governance Reform Radar initiative and is closely linked to the State Reform Foundation, which has produced a detailed list of reform proposals. Similar positive change is also visible regarding the ETUC. Both organizations have a "policy impact" section on their websites. Meanwhile, support from the European Social Fund has played an important role in capacity-building. Both the ETUC and EEU make use of

Association
Competence
(Others)
Score: 6

various measures (e.g., training programs, hiring analysts and requesting studies) envisaged in the 2014 – 2020 programming period.

The policy-formulation capacity of noneconomic interest groups varies across fields of interest and with the scope of the intended impact. Most civil society associations are small and possess limited financial and human resources. Therefore, their in-house capacity is very low, and most analyses have been carried out as single projects on a contractual basis. The level of capacity also depends on the formal policy agenda, as it is easier to add a new proposal to the existing agenda than to set the agenda. Environmental groups are mainly local, but their actions can have a nationwide impact on transport and industrial policy. Religious groups are sporadically, though increasingly active in domestic politics. In recent years, the Estonian Evangelical Lutheran Church and several civil society groups (e.g., Foundation for Protection of Family and Traditions, SAPTK) have actively criticized the legalization of same-sex marriages and abortion rights, among other things. An attempt by SAPTK and Estonia's conservative parties (IL and EKRE) to organize a public referendum to change the Estonian constitution failed in January 2021.

Independent Supervisory Bodies

Audit Office
Score: 6

The National Audit Office (NAO) is an independent institution defined by the national constitution. According to the constitution, the NAO is not a part of any branch of power, rather it must remain independent. Although the reports of the NAO are aimed at the national parliament, the government and the public, the parliament remains the first client. The auditor general annually reports to the parliament on the use of public funds and on government budgetary discipline and spending.

In recent years, the NAO and the auditor general have become more active in communicating their work to the public. As a result, several shortcomings and problems in the work of government were publicly debated, which eventually contributed to an improvement in the quality of policy implementation.

Ombuds Office
Score: 9

Estonia has a separate and independent legal chancellor who performs an ombuds function. The chancellor's task is to ensure that legislation conforms with the constitution, and that the citizen's fundamental rights and liberties are protected. Besides the constitutional review and ombudsman functions, the chancellor also fulfills the role of a national preventive mechanism for ill-treatment and an ombudsman for children. To raise an issue or forward a concern, citizens can submit a petition offline or online.

Data Protection
Authority
Score: 10

The current legal chancellor has called for politicians to address important public issues. These issues include the comprehensiveness and readability of legal language, the equal treatment of citizens under digital government, the quality of social services, the ill-treatment of patients in institutional care, and lately the preservation of civil rights under COVID-19 restrictions. However, while the legal chancellor can highlight concerns, real intervention is only possible if the constitution has been violated.

The Data Protection Inspectorate (DPI) is responsible for protecting citizens' privacy and personal data, and ensuring transparency of public information. The inspectorate works under the framework of the Personal Data Protection Act and the Public Information Act. The inspectorate is also responsible for ensuring compliance with the European Union's GDPR. The director general has can impose legally binding decisions and law-enforcement measures, and delegate powers to other officers of the inspectorate. The director general reports directly to the Constitutional Committee of the Riigikogu and to the chancellor of justice. As a law-enforcement agency, the DPI can issue proposals or recommendations to terminate infringements, issue binding precepts, impose coercive payments or fines, or apply for criminal proceedings. In addition, the DPI acts as an educator and consultant, answering citizens' queries and contributing to public awareness of data use.

Citation:

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