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EUROPE AND THE ESTONIAN PARLIAMENTARY ELECTIONS OF 2 MARCH 2003

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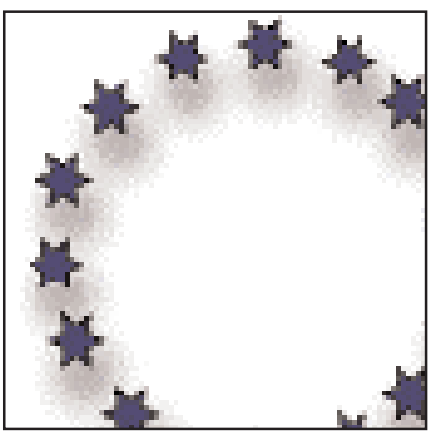

Key points:

- **The breakthrough of a relevant newcomer, Res Publica, illustrates the dynamic and unstable nature of the Estonian party system in spite of the restrictive institutional framework and supposedly overcrowded centre-right of the party spectrum. It suggests that the party system is not yet consolidated, leaving space free for newcomers.**
- **In contrast to their relative success in the two previous elections held in 1995 and 1999, ethnic parties representing the Russian minority made little impact and failed to secure parliamentary representation. This was because of low levels of support by Russian-speaking voters, suggesting a decline in the salience of the ethnic cleavage.**
- **The right-wing parties continue to dominate the Riigikogu (parliament) and there is still a 'missing left' in Estonia. Among the six parliamentary parties, only the Moderates have shown any clear leaning towards the left after years of demonstrating a confusing discrepancy between their stated ideals and their actual behaviour in government.**
- **A new coalition of the centre-right Res Publica, the right-wing Reform Party and the centre-leaning People's Party shows that the election has led a continuation of the traditional pattern of government formation, with right-wing parties and policies continuing to dominate.**
- **Despite the fact that the Estonian public has been one of the most Eurosceptic in all of Central and Eastern Europe, and that relations with Russia have always played a critical role in shaping public attitudes, these crucial issues (together with other foreign policy issues) had a low salience during the election campaign. The main focus of the campaign was firmly on domestic issues.**

Background

There is a large discrepancy between the theoretical premises on which the Estonian party system is based and the realities of how it operates in practice. Looking at the electoral system, one might expect very few parties to enjoy parliamentary representation but in practice this has not been the case. A number of features illustrate this.

1. Estonia's institutional engineers designed an electoral system that was meant to be highly restrictive towards new parties. This can be seen from a number of features, including:

   - the method of converting votes into seats, which favours front-runners;
   - a 5% threshold for parliamentary representation;
   - the allocation of public subsidies only to parliamentary parties;
   - tough rules for party registration;
   - a prohibition on electoral coalitions;
   - a heavy financial burden associated with running in elections; and
   - the high costs of election campaigns.

   In addition to this restrictive framework, the main public opinion-formers have made strenuous efforts to convince the public that the party spectrum is complete and there is no free space for newcomers (and hence no reason to waste votes on small or unknown parties). In spite of this, two new parties – the Reform Party and the centre-right Res Publica – were successful in breaking through and carving out a significant presence in parliament in 1995 and 2003 respectively. At the same time, in spite of promising showings during earlier elections, some mainstream parties such as the Estonian Independence Party and the Coalition Party have simply disappeared from the political arena. This points to the fact that low party identification by voters and high electoral volatility are significant features of Estonian electoral politics.

2. Estonia inherited a heterogeneous society from the Soviet era which provides a potentially strong basis for the emergence of ethnic divisions between parties. In fact, ethnic Russian parties have found it extremely difficult to cross the 5% election threshold in every election since independence. Even in the 1995 and 1999 elections, when those parties were able to secure parliamentary representation, their share of the vote was still far below the size of the Russian-speaking electorate.[1] Hence the majority of Russian speakers tend to vote more and more often for the various mainstream 'Estonian' parties. The Centre Party was the first to benefit from this. It was followed by the Moderates, the Reform Party, and Res Publica, which have also been successful in attracting the 'Russian vote'. However, the weakness of the ethnic Russian parties has had a strong impact in determining the poor showing of the Estonian extreme nationalist parties. None of them has succeeded in securing parliamentary representation since Estonia's first free elections in 1992. The swift resolution of the independence issue and institutional limits on ethnically based party formation during the initial stages of the transition, combined with the successful efforts of the established Estonian parties to broaden their electoral appeal to Russian voters, created effective barriers to the formation of strong ethnic parties (or, at least, delayed this process significantly).

3. Estonia's radical reform policies have produced a situation of high social inequality and conditions where many voters feel relatively poor and deprived. This might have been expected to provide a basis for the political left. The reality is quite different: the left-wing parties have proved to be extremely weak. The communist successor Estonian Social Democratic Labour Party made only a brief appearance in parliament following the 1999 elections, in a joint list together with the United People's Party of Estonia. The Moderates, who claim to have a modern social democratic ideology, have been struggling with identity problems, participating in the previous right-wing governments throughout the 1990s and backing all of their neo-liberal policies. Only a very poor outcome in the most recent (2002) local elections and bleak prospects for crossing the required 5% threshold for parliamentary representation forced the Moderates to make a clear shift to the left with their programme. Hence the other mainstream parties were able to shape the dimensions of issues by themselves, leaving the left of the Estonian party spectrum largely unoccupied and convincing the electorate that left-wing ideas are not even worth considering.

4. Despite the fact that certain social divisions during the initial stages of the transition (independence, ethnicity, de-communization) were likely to have considerable potential for determining party cleavages,[2] the Estonian political process has been characterized largely by a high degree of pragmatism on the part of the main political actors. Sooner or later the opposing sides have found common ground for cooperation and coalition-building. Even the animosity between leaders that has played an important, often crucial, role in post-communist environments has not created any insurmountable obstacles for such cooperation, the best example of being the most recent government coalition of the Centre Party and the Reform Party. Very few observers would have expected a workable coalition involving Centre Party leader Edgar Savisaar. However, the actual outcome was a smoothly operating government of two parties and party leaders (Savisaar and his Reform Party counterpart Siim Kallas) who were, in many ways, polar opposites.

The campaign

The two governmental parties had hoped to focus the whole election campaign around the issue of taxation. The Centre Party emphasized its support for a progressive income tax system, while the Reform Party campaigned for continuation of flat rate taxation and a reduction in income tax from 26% to 20%. Despite the diametric opposition of progressive and flat rate taxation systems, both proposals were relatively mild in nature and contained sufficient common ground for post-election compromises. The general public, there-

TABLE 1: 1999 AND 2003 ESTONIAN PARLIAMENTARY ELECTION RESULTS

	1999		2003	
PARTY	**VOTES (%)**	**SEATS**	**VOTES (%)**	**SEATS**
Parliamentary party				
Centre Party	23.4	28	25.4	28
Res Publica	–	–	24.6	28
Reform Party	15.9	18	17.7	19
People's Union	7.3	7	13.0	13
Fatherland Union	16.1	18	7.3	7
Moderates	15.2	17	7.0	6
Coalition Party	7.6	7	–	–
United People's Party of Estonia	6.1	6	*	*
Parliamentary parties total	91.6	101	95.0	101
Unsuccessful parties				
United People's Party of Estonia	*	*	2.2	0
Christian People's Party	2.4	0	1.1	0
Independence Party	–	–	0,5	0
Social Democratic Labour Party	*	*	0.4	0
Russian Party in Estonia	2.0	0	0.2	0
Blue Party	1.6	0	–	–
Farmers' Assembly	0.5	0	–	–
Development Party	0.4	0	–	–
Independents	1.5	0	0.4	0
Unsuccessful parties total	8.4	0	5.0	0

Source: Estonian National Electoral Committee, 2003.

fore, appeared to be confused by the severe clashes between the coalition partners over taxation policy. In order not to have to focus on the rather complex technical matters of taxation, many voters opted instead to concentrate on the more easily comprehensible division between 'old' and 'new' politics. Parties returned to simple and somewhat empty populist slogans that echoed those from the founding elections of 1990s and found surprisingly strong resonance among voters. For newcomer Res Publica it was enough to combine the diffuse 'new politics' issue with the repetition of the catchy law and justice slogan of 'Choose order'. The widely expected front-runner, the Centre Party, combined its taxation promises with the effective slogan of being the party that was always on the winning side: 'Everybody wins with us.' The neo-liberal Reform Party was happy with its catchy play-on-words slogan 'Choose the right future'. The rural-oriented People's Party looked back to nation- and state-building issues with its slogan 'A just and strong state'. Facing extinction as a parliamentary party, the Conservative Fatherland Union decided to return to traditional national values with the slogan 'For Estonian national interests'.

Compared with the 1999 election, there was much greater volatility in public opinion polls and a much greater discrepancy between pre-election polls and the actual election results. Support for the Centre Party turned out to have been heavily overestimated, with Res Publica's vote significantly underestimated. The most reasonable explanation for this appears to be the tactical manoeuvring of the main media outlets during the final days of the campaign, and a flexible electorate, which made up its mind at the very last minute. The harsh attack by all the main media outlets on the Centre Party and its charismatic leader Edgar Savisaar caused a significant number of its more ambivalent voters to defect, while the majority of undecided and disappointed voters gave their protest votes to Res Publica.

The 2003 Riigikogu elections continued a trend of relatively low turnout: 58.2% voted, a slight increase on the 57.4% recorded in 1999. As Table 1 shows, slightly fewer parties contested these elections (eleven compared to twelve in 1999) and only six secured parliamentary representation (as opposed to seven in 1999). The Estonian electorate was also very careful not to waste its votes on small parties and independents, which collected a mere 5% of the vote (8.4% in 1999). At first glance all these statistics appear to show the stabilization of the Estonian party system. However, a high level of electoral volatility and the success of the complete newcomer Res Publica illustrate that, in reality, the very opposite was the case; they point towards the continued vulnerability of the whole electoral process.

The centre-right Res Publica party made an impressive entry into the Estonian political establishment, securing the second best result in terms of votes (24.6%) and gaining the same number of seats (28) as the widely predicted front-runner, the Centre Party. Ethnic Russian

parties continued to lose support, with the United People's Party of Estonia winning only 2.2% of the vote and the Russian Party of Estonia securing a miserable 0.2%. On the other hand, extreme nationalist parties continued to fail electorally, with the Estonian Independence Party managing to win only 0.5%. The two longest-established parliamentary parties, the Fatherland Union and the Moderates, managed to escape a similar fate by turning back to their roots; the next elections will show whether the reinvention of the national issue by the Fatherland Union and the Moderates' new-found emphasis on social democratic values will allow these parties to remain among the main political players.

Immediately after the election, coalition negotiations started between Res Publica, the Reform Party and the People's Union, with the objective of eliminating the Centre Party from the government formation process. Hence, despite the initial formal move by President Arnold Rüütel, giving Edgar Savisaar the first chance to form a new government (as leader of the party receiving the largest share of electoral support), it was inevitable that Savisaar's mission would fail. This left the cabinet formation process in the hands of Res Publica's prime ministerial candidate, Juhan Parts.

The missing EU issue

Given that Estonia is a small country for which international relations are extremely important, the Estonian public might have been expected to focus heavily on foreign affairs issues during the campaign. However, this did not happen. Ethnic Russian parties and Estonian nationalists who sought to emphasize different approaches to how Estonia should deal with the Russian Federation failed to do so. Parties that attempted to focus on the EU membership issue also played a very marginal role and performed miserably in terms of votes gained: the Christian People's Party (1.1% of the votes), Independence Party (0.5%), Social Democratic Labour Party (0.4%) and the Russian Party in Estonia (0.2%). Despite the different nature and ideological orientations of these small parties, they tended to lean towards Euroscepticism for similar reasons. Estonia, notable for low levels of support for the EU membership among the general public, has been one of the most consistently Eurosceptic of the candidate countries. The beginning of 2001 saw a rapid fall in the level of Euro-enthusiasm, causing political actors to turn their attention towards the European issue and even creating the temptation for them to exploit this rapidly increasing level of public Euroscepticism. For the more peripheral political parties the European issue provided the hope that they could find a distinct niche in political competition as well as helping them to broaden their electorate by exploiting an apparently salient issue. It certainly was a major factor in the use of this issue by the Christian Democratic Christian People's Party, Social Democratic Labour Party and ethnic Russian Party in Estonia. For the extreme nationalist and radical right-wing Independence Party, the Eurosceptic trend was just a happy coincidence that fitted perfectly with its more general stance.

No mainstream party seriously questioned EU membership; even those parliamentary parties that flirted with Euroscepticism, especially during the period when public opposition to EU membership was growing, soon returned to their pro-EU stances. The only media attention on the EU issue focused on the somewhat vague position of the Centre Party. On the one hand, this was a governing party that was fully implementing the EU accession process. On the other hand, and in contrast to other parties running in the elections, it avoided making a clear statement on the EU during the election campaign. It justified this on the grounds that the future perspectives for 'deepening' the EU process were unclear pending the outcome of the Convention on the Future of Europe.

This shift back to a broadly pro-EU consensus was probably mainly related to the tough competition among accession countries for EU membership and the fear that Estonia would be left behind its close neighbours, Latvia and Lithuania. Despite their later start in the accession negotiations, these two countries had already caught up with Estonia by late 2001 and were showing very strong intentions to enter the EU as soon as possible. Finally, the logic of competition within the Estonian party system tends to increase the strategic incentives for governmental parties to be less Eurosceptic than opposition parties. In this sense, the Reform Party, People's Union and even the Centre Party, which had all displayed some measure of Euroscepticism in the past, reverted to a more pro-EU stance once they obtained government positions. For the countryside-based People's Union its shift was also related to the successful introduction of the Sapard programme, which obtained considerable media coverage and convinced farmers that the EU would have a positive impact on the countryside.

The rise of Res Publica

Political scientists often comment upon how electoral design and the marketization of the electoral process can produce outcomes with different degrees of predictability. The Estonian case is a good example of both various attempts at institutional engineering and the introduction of specific means of marketing to shape the electoral process. One of the recent projects in this field was the successful development of the new party 'brand', Res Publica. Res Publica, a well-calculated invention of a new generation of 25–28-year-old 'child-politicians' who were simply too young (even in Estonian terms!) to participate seriously in the power struggles that occurred ten years ago. The founders of Res Publica were unable to carve out careers in the 'old', established parties. Facing the prospect of exclusion from the top power positions for the next 20–30 years until the core of the current political establishment (now in their thirties and forties) will be ready to leave the political scene, political activists from this generation decided to design their own political project. They made a serious effort to secure the support of specific circles of the business community who were, for different reasons, dissatisfied with their position *vis-à-vis* the political and economic process. A diverse group of politicians and well-known public figures who had been excluded from the current elite establishment or who were disappointed with recent socio-economic and political developments were, therefore, effectively incorporated into the new project. The first, carefully selected, party leader was Rein Taagepera, a highly respected and recognized professor who, in addition to an excellent academic

reputation and theoretical knowledge of political science, had the necessary political experience, having run in the first Estonian presidential election in 1992. Subsequently, a new party leader was found in 36-year-old Juhan Parts, the holder of the high-profile and widely respected position of Auditor General.

However, in order to implement its (impressive and highly visible) electoral campaign, Res Publica needed to raise a significant amount of additional finance. In this respect party leaders did not hesitate to borrow additional assets from banks and private financial sources, gambling that they could pay this loan off once they had secured access to power. At the same time one cannot blame Res Publica for using populist rhetoric and modern marketing techniques in order to secure electoral success. Newly emerging parties have a specific set of incentives and resources. It is clearly both tempting and rational for them to turn towards bold populism in campaigning to attract a range of potential supporters and to establish (perhaps questionable) connections with various private sponsors in order to compensate for the serious disadvantages that they face relative to the more established parties. Res Publica was certainly attracted to some of these negative features of election campaigning. On the other hand, it also introduced valuable new democratic elements into public debate and intra-party processes, such as a direct candidate selection process for the national elections. Even the widely criticized loans were made public and one could easily argue that official borrowing from the main banks is very different from obtaining money from various 'hidden' sponsors.

Conclusion and future prospects

In spite of the imminent prospect of an EU accession referendum in the autumn and high levels of public opposition to EU membership, the March 2003 Estonian election was dominated by domestic, not foreign policy issues. As in the other Baltic states, the fourth Estonian parliamentary election highlighted the fluid character of the party system and electoral process, with the emergence of new, significant players on the political scene, exemplified by the emergence of Res Publica. Only time will tell whether this means a qualitative break with old political traditions and the introduction of a significantly distinct and new type of politics, as the party promised.

The first signs are not encouraging, and reflect the strong impact of a traditional political culture inherited from the Soviet period. Barely a month after the formation of the new cabinet, the Minister of Justice (who should, of course, be above suspicion) was caught speeding. The reason for the extraordinary public discussion on this was the fact that, in its manifesto, Res Publica had strongly emphasized its commitment to fairness and justice; it promoted zero tolerance towards violation of laws, and even required every member of parliament and government member to swear a public oath in church that they would resign if they broke the law.[3] In fact, the Minister of Justice did not even seriously consider resignation, perpetuating all the patterns of the old establishment that Res Publica had so heavily criticized in its election campaign.

Endnotes

[1] According to the 2000 Population and Housing Census, the share of Russian-speaking citizens was about 15%, while ethnic Russian parties gained 5.9% of votes in 1995, 8.2% in 1999 and only 2.4% in 2003.

[2] See Evald Mikkel, 'The Cleavage Formation and the Emergence of "Party Systems" in the Post-Soviet Societies: Estonia and Lithuania Compared', paper prepared for the 26th ECPR Joint Session workshop on 'Change & Continuity in the Roles of Parties in Democratization', Warwick, UK, 23–28 March 1998.

[3] To make matters even worse, it turned out that the exemplary citizen had 23 violations of driving regulations recorded by police for the last seven years!

Convened from the Sussex European Institute, the Opposing Europe Research Network is a group of academic researchers studying party politics within the European Union and candidate countries and seeking to understand in particular why Euroscepticism exists in some states and not in others. Like the Royal Institute of International Affairs, the Network itself retains an independent stance on the issues under consideration. The views presented are those of the authors.

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