

**Content, Competition, Constraints:
The Effects of the EU on Estonian Party Politics**

Paper prepared for the 4th ECPR General Conference
6-8 September 2007, University of Pisa

Allan Sikk

allan.sikk@gmail.com

from September 2007:

School of Slavonic and East European Studies

University College London

Draft version, please do not quote without permission

The emergence and expansion of European Union has perhaps been the most important political development in European subcontinent during the past half a century. Only the fall of the Berlin wall – that was a prelude to further expansion of the Union – may rival that. After re-gaining independence, joining the EU was easily the main political and economic change for Estonia. However, the experience of old member states shows that the EU with all the delegated power has only modestly influenced national party competition – especially directly regarding the power of European issue itself for structuring domestic party competition.¹ This paper analyses whether four years of EU membership from 2003 to 2007 has had any impact on Estonian party politics – either direct or indirect, and either in areas covered in earlier studies or in new quarters.

Direct effects of EU membership on Estonian party politics are virtually non-existent, similarly to the experience of older member states of Western Europe and earlier evidence from new member states of Central and Eastern Europe.² The exit from the EU does not seem to be an option and is thus not advocated by any significant actors. Repercussions of an exit would very likely be intolerable, and it is well understood. Almost no actors of any significance argue for that –hardly surprisingly given the very high popular support for EU membership. On the other hand, the direct impact of Estonian parties or politicians on the policies of EU is or is perceived to be minimal. Some issues related to EU that have caused some political debate – such as the infamous levy on excess stocks of sugar, common energy policy, the use of European funds – but none of them has had the potential to spark a new party, a faction within an existing one, or significantly restructure the competition among the existing parties. Therefore, this paper focuses on three somewhat isolated topics related to *indirect effects*: the *content* of party politics regarding Europe, *competition* – the effect the first European Parliament election

¹ Peter Mair (2000). “The Limited Impact of Europe on national party systems,” *West European Politics* 23(4): 27-51.

² Zsolt Enyedi & Paul G. Lewis (2006). “The Impact of the European Union on Party Politics in Central and Eastern Europe,” in Paul G. Lewis & Zdenka Mansfeldová (eds). *The European Union and Party Politics in Central and Eastern Europe*, Houndmills, Palgrave. Paul G. Lewis (2005). “EU Enlargement and Party Systems in Central Europe,” *Journal of Communist Studies and Transition Politics*, 21(2): 171-199.

itself may have on the party system, and finally, *constraints* posed by membership on feasible national policy options.

Content refers to the presence of EU-related issues in party programs and whether they may have subtly structured the party system. We will be looking at various indicators in public opinion surveys from 2004 and 2007. Furthermore, we will assess the EU element in their 2003 and 2007 national election manifestos. Even though the 2007 election coincided with the failure to comply with either 2007 or 2008 deadline of introduction of the Euro, the common currency was not a significant topic in the campaign. While it was discussed to some extent, it certainly failed to be decisive or distinguish parties in a run up to elections.

Competition. Electoral systems are known to have impact on party systems starting from Maurice Duverger.³ Two factors are related to the European Parliament elections. First, as different electoral systems are used compared to national elections, they are bound to lead to somewhat different outcomes and may restructure party systems. The British rules for European elections are perhaps most different from the ones used for national elections, but there are important differences in other countries as well – including Estonia. Secondly, a European Parliament election simply adds an event to electoral calendar. Each additional election provides opportunities and risks for political parties and has a potential to change party system by bringing in new players, increase the status or weaken others, and change the party elites as some take up positions non-compatible with those held thus far. Also, the “EU politicians” from Estonia acquire a specific role in national politics and European affiliation of Estonian parties may have an effect on the parties themselves.

³ Duverger, Maurice (1954). *Political Parties: Their Organization and Activity in the Modern State*. New York: Wiley. More recent volumes on the topic include Arend Lijphart (1995). *Electoral Systems and Party Systems: A Study of Twenty-Seven Democracies, 1945-1990*, Oxford University Press; Rein Taagepera & Matthew S. Shugart (1989). *Seats and Votes: The Effects and Determinants of Electoral Systems*, Yale University Press; Gary W Cox (1997). *Making Votes Count: Strategic Coordination in the World's Electoral Systems*, Cambridge University Press.

Constraints. It can be argued that globalization in general and the EU in particular constrains feasible policy options of national actors.⁴ Implementing the *acquis communautaire* and meeting Luxembourg criteria set constraints before accession. It is difficult to assess what Estonian politics would look like if the country did not become a member. Estonian politics without the existence of the EU is simply unimaginable – that is certainly different from most old member states, as national politics had existed some time before the emergence of EU. New constraints are posed on policies by the introduction of Euro and the corresponding Maastricht criteria. Below, it would be argued that rather lax deadlines combined with opportunities available in national politics, and the lack of enthusiasm for common currency leaves some room for independent macroeconomic policies. Yet again, it is difficult to speculate about the range of policy options if the EU and EMU were not there.

This categorization is not an attempt to propose a better or more comprehensive classification for the effects of Europeanization than has been proposed before, for example by Robert Ladrech.⁵ The three-fold categorization is used here for structuring the exploratory rather than hypothesis-testing discussion on the Europeanization effects in Estonia. Ladrech singles out five areas where the membership in the EU may affect political parties: policy/programmatic content, organization, patterns of party competition, party-government relations, and relations beyond the national party system. “Content” and “competition” match categories proposed here but “constraints” do not fall that easily into Ladrech’s areas. While it is about the content of parties’ policy orientations, it does not refer directly to the EU itself, but to other spheres where constraints are posed by the membership.

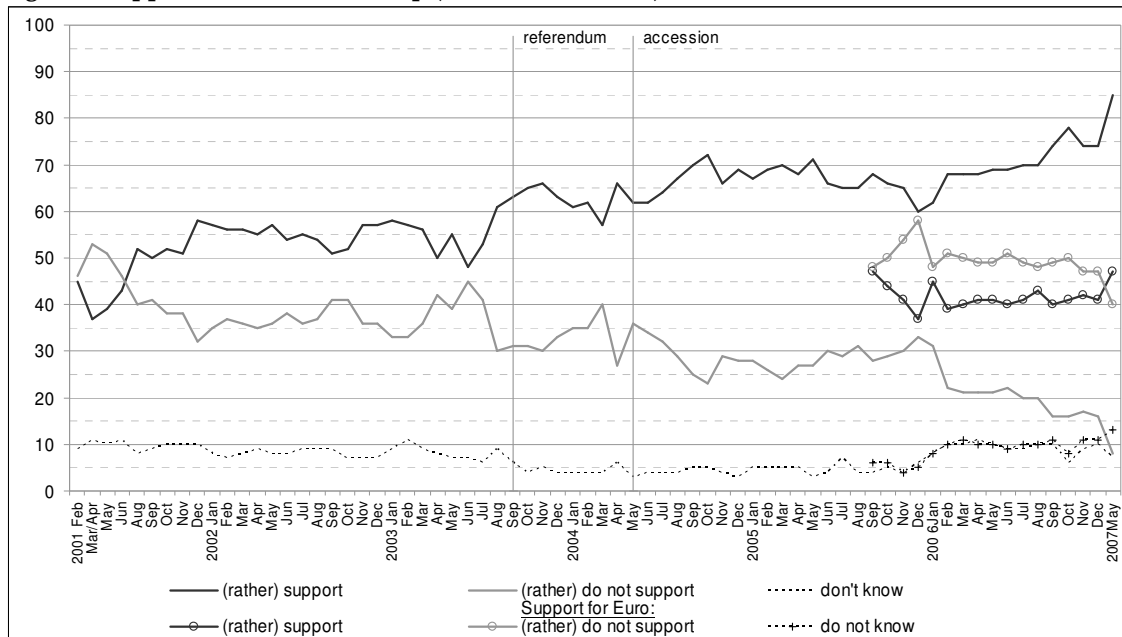
⁴ Similar arguments have been advanced by Mair (2000) and Mark Blyth & Richard S. Katz (2005). “From Catch-all Politics to Cartelisation: The Political Economy of the Cartel Party,” *West European Politics*, 28(1): 33-60, see especially pp. 43-44.

⁵ Robert Ladrech (2002). “Europeanization and Political Parties: Towards a Framework for Analysis,” *Party Politics* 8(4): 389-403.

Content: Party Positions on Europe

In general, the support for EU membership has increased substantially in Estonia since accession. While in September 2003 the support for membership was 63 percent resulting in a 67 percent support at the accession referendum, it has remained at or over 70 percent since July 2006, reaching 85 in May 2007 (see Figure 1).⁶ However, the support for the introduction of Euro has been lagging considerably behind the support for the EU membership. It lingered at around 40 percent of the adult population during 2006, increasing to 47 in May 2007 – for the first time to surpass the figure for the opposed since September 2005 when respective data has become available. In the following sections, we analyse the partisan dimensions in various measures indicating the support or evaluation of EU membership.

Figure 1 Support for EU membership (% of adult citizens)



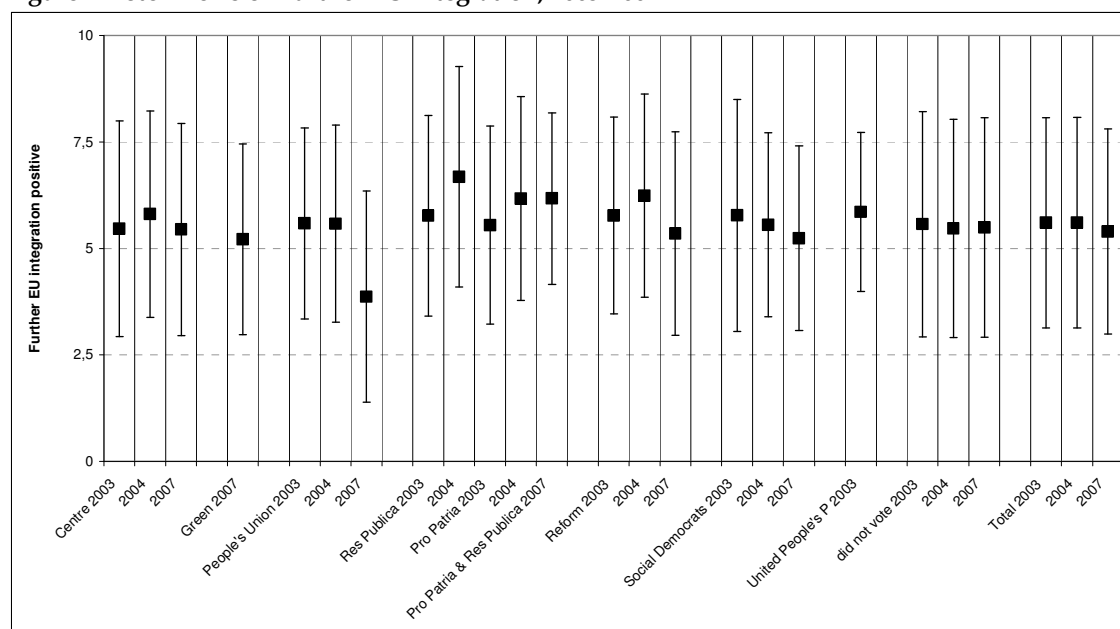
Sources: EMOR "Euroopa Liidu seire, mai 2007," <http://www.riigikantselei.ee/doc.php?72885>, "Eesti elanike suhtumine ühinemisse Euroopa Liiduga 2003," <http://www.riigikantselei.ee/?id=5130>, "Üle poole kodanikest on euroliidu vastu," <http://www.emor.ee/arhiiv.html?id=556>, EMOR "Euroopa Liidu seire, november 2005," www.riigikantselei.ee/doc.php?6256 (accessed 26 July 2007).

Note: Support for the introduction of Euro as a percent of adult population.

⁶ The last figure might be a temporary shift related to the "Bronze soldier" conflict with Russia just before the time of the survey. The official support of the EU for Estonia may have significantly increased the image, but the effect might not last long.

As often noted, party-based Euroscepticism in Estonia has either been soft or the preserve of marginal political parties.⁷ Figure 2 displays the mean self-placement of voters for main parties and non-voters regarding their opinion on further EU integration from election surveys conducted in 2004 and 2007.⁸ Remarkably, in 2007, the means for five of the six parties were within one tenth of the scale. With the exception of People's Union, no remarkable changes have occurred since the time of European Parliament elections – neither regarding the mean placement nor the deviation from the mean. The latter is still universally high – i.e. the views of particularly party's voters have not become more uniform, and are still rather widespread and the parties thus barely distinguishable from each other.

Figure 2 Voter views on further EU integration, 2003-2007



Source: 2004 and 2007 post-election surveys by the Department of Political Science, University of Tartu. The exact wording was: "Some say European unification should be pushed further. Others think that it has already gone too far. What do you think? On this scale, 1 means unification 'has already gone too far' and 10 means it 'should be pushed further'. What number on this scale best describes your position?".

Notes: 2003 refers to respondent recollections in 2004, whiskers refer to standard deviation of the mean.

⁷ Evald Mikkel & Andres Kasekamp (2002). "Emerging party realignment? Party-based euroscepticism in Estonia," paper presented at ECPR Joint Sessions, Turin, March 22-27, pp. 14-15. Paul Taggart & Aleks Szczerbiak (2004). "Contemporary Euroscepticism in the party systems of the European Union candidate states of Central and Eastern Europe," *European Journal of Political Research* 43: 1-27, p. 10.

⁸ The surveys were conducted by the Department of Political Science, University of Tartu (N=1606 and N= 1008 respectively). Contrasting the data extracted from polls with data from expert surveys would give a better check on the reliability of the data. Unfortunately, expert survey data was only available for 2004. However, the scores were not very different, see Allan Sikk (2006). "From 'Sexy Men' to 'Socialist Gone Nuts': The European Union and Estonian Party Politics," in Paul G. Lewis & Zdenka Mansfeldová (eds), pp. 40-63.

Note that Figure 2 does not seem to match the general increase in support for the EU membership from Figure 1. It is likely because the question here relates to further EU unification. Given the fate of constitutional treaty and uncertainty about what further unification may mean,⁹ it is surprising that the share of those who could not specify their position remained at 15 percent of the respondents.¹⁰

The only party that clearly stands out of the bunch as more critical of further unification is *the People's Union*. Similar differences are present in its supporters assessment of EU membership and trust in EU decision-making. The difference in general assessment of membership is less pronounced – it was a good thing for 56 percent of People's Union voters and 62 for supporters of other parties. Nevertheless, the party's supporters are much more sceptical regarding the decisions taken by the EU – 41 percent trusted to some extent that the decisions were in Estonia's interest and only 32 percent that the decisions were in the interest of people like themselves. The corresponding figures for other parties' voters were 60 and 51 percent.

Even though the party mainly draws its support from rural areas and has always been softly Eurosceptic, the visibly decreased enthusiasm among its supporters poses a small puzzle as the party itself does not seem to have become more Eurosceptic. Indeed, the party was until 2007 in charge of the Ministry of Financial Affairs, and thus responsible for and pushing the introduction of Euro. The party's 2003 parliamentary elections manifesto was only short of outright opposition to the membership – stressing the need for a fair deal, holding a referendum, taking enough time etc. Four years on, the references to the EU in the manifesto were considerably toned down. For example, in 2003 the manifesto stated opposition to membership in a federal super-state, whereas the 2007 manifesto more modestly

⁹ Another explanation may be that “further unification” may be understood in geographical terms by some – in 2004 it referred to Romanian and Bulgarian membership, while in 2007 it would rather refer to the future membership of Turkey, Croatia or any other country east of the present EU.

¹⁰ Surprisingly, the “easy” option of choosing the middle point (5) on the scale was used less for respondent's position on EU unification than on the Left-Right self-placement – by 23 and 31 percent respectively.

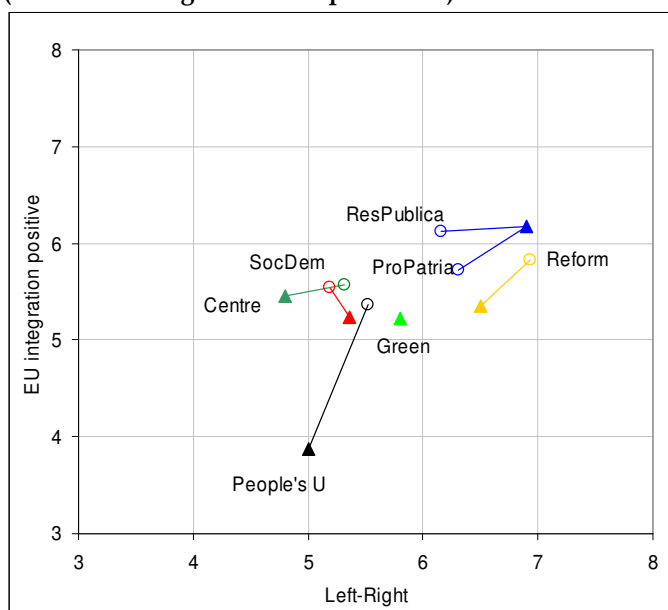
stated a support for the reformed EU as a union of sovereign states.¹¹ However, most references in the 2007 manifesto to the EU related to the use of various EU funds in Estonia.

Most of the Eurosceptic sentiment stems from its rural supporters, but the difference in the position of rural and urban people is lesser than that between the PU and other main parties. Thus, the party perhaps has yet to come to terms with the anti-EU sentiment of its grassroots, that could lead to adoption of a less enthusiastic program. However, that would entail a significant risk of alienating its more EU-friendly supporters – there are segments of rural population benefiting significantly from European agricultural means – and more than a third of its voters lies at the middle-point of the scale or above. Also, its very rural outlook may make it difficult to gain foothold in urban areas.¹² Furthermore, if it was to adopt a more eurosceptic posture, its (perceived) coalition potential with more EU-friendly parties might decrease and alienate even those voters who are less enthusiastic about the EU but do not care very much of that issue. After all, the party has sometimes been argued to be the most reliant on clientelist practices in Estonia that may increase the importance of a coalition potential – i.e. potential of “delivering the goods”. While the discussion here on a rather smallish political party may seem too detailed, it serves the purpose of highlighting problems “serious” parties may face when considering adopting more hostile positions towards the EU.

¹¹ “Õiglane ja tugev riik, heaolu inimesele ja kindel tulevik rahvale: Eestimaa Rahvaliidu platvorm 2003. aasta Riigikogu valimisteks,” <http://www.erl.ee/index.php?id=52>. “Võrdsete võimaluste eesti! Rahvaliidu platvorm 2007. aasta Riigikogu valimistel,” <http://www.erl.ee/index.php?id=246> (both accessed 29 July 2007).

¹² Despite running some high-profile candidates and campaign drives in main cities, it has failed to gather any significant ground there. Some 76 percent of its voters considered themselves living in a “rural areas or village” in 2007. That was up from 54 percent in 2003. Its rural supporters had not only increased in number, but also grown more Eurosceptic.

Figure 3 Party placements on Left-Right scale and positions on further EU integration, 2004-2007 (based on average voter self-placement)



Notes: Circles indicate placement in 2004 and triangles in 2007. Based on post-election surveys after European and parliamentary elections conducted by the Department of Political Science, University of Tartu.

Correlation between party positions on the EU and their placement on Left-Right scale has been noted for some new member states including Estonia,¹³ while it has been disconfirmed in others.¹⁴ Figure 3 shows that a slight relationship persists in Estonia regarding party voter means and it has even slightly increased – R^2 was 0.43 in 2003 and 0.46 in 2007. However, the party position on EU increases only very slightly with movement from Left to Right – by 0.5 points on a 10-point scale for one point increase on a Left-Right scale.¹⁵ It should be noted that the data excludes the Independence Party – a highly Eurosceptic extreme-right (nationalist and anti-establishment) party¹⁶ with too small electoral support – only 0.2 percent

¹³ For the Czech Republic, see Lukáš Linek & Zdenka Mansfeldová (2006). “The Impact of the EU on the Czech Party System,” in Paul G. Lewis & Zdenka Mansfeldová (eds), pp. 20-39, p. 27. For Estonia, see Sikk (2006).

¹⁴ No relationship found in Lithuania and Slovenia, the inverse relationship in Hungary. See Kjetil Duvold & Mindaugas Jurkynas (2006). “Europeanization without Party Involvement”, pp. 107-127, Alenka Krašovec et al (2006). “The European Union and Party Politics in Slovenia: An Apparent or Real Impact?” pp. 169-189, Zsolt Enyedi (2006). “Playing with Europe: The Impact of European Integration on the Hungarian Party System,” pp. 64-85, all in Paul G. Lewis & Zdenka Mansfeldová (eds).

¹⁵ Choosing the independent (x) and dependent (y) variable is a tricky issue here. Running the regression the other way around (with Left-Right as a dependent variable) yields a more marked increase. For one point increase on the EU integration scale, the party position increases by 0.9 (i.e. almost equally) on a Left-Right scale. For a discussion on the asymmetric nature of regression see Rein Taagepera (forthcoming). *Beyond Regression in Social Sciences*, “Chapter 12: Symmetric Regression,” Oxford University Press.

¹⁶ The party is a legal successor to the Estonian Future Party. See Andres Kasekamp (2003). “Extreme-right parties in contemporary Estonia,” *Patterns of Prejudice*, 37(4): 401-414, pp. 407-408.

in 2007 – to analyse its voters based on survey data. Therefore, the correlation presumably only applies for larger parties, while at the fringes right-wing Euroscepticism persists in Estonia. While another party leaning to the right – the Christian People’s Party – has been classified as Eurosceptic before,¹⁷ the Christian Democrats’ 2007 manifesto was remarkable in not mentioning the EU at all.¹⁸

Party Manifestos

Based on 2007 Riigikogu election manifestos¹⁹ a similar picture to the above emerges. Most Estonian political parties are positively in favour of the EU membership or have fully accepted it. However, despite membership the EU-related policies are still most often consigned to foreign policy section or under subtitles like “Estonia and world affairs”. Most parliamentary parties make a reference to responsible or beneficial use of EU funds in Estonia. Four of the parliamentary parties at the time of writing outlined more detailed policies to be addressed at the EU level. Interestingly, the four mostly addressed their “specialist” policy fields. Hence, the market liberal Reform party argued for reform of the internal market and fighting market distortions; the national-conservative Pro Patria stressed the need for security and defence cooperation; the Social Democrats emphasized common foreign policy – possibly the legacy of president Toomas Hendrik Ilves who used to be the vice-chair of European Parliament’s foreign affairs committee; the Greens underscored sustainability and cooperation in energy policy.²⁰ The EU policy sections of Centre Party and People’s Union manifestos were limited to references to support of agriculture and structural funds, and to a vague mention of EU enhancing Estonia’s security situation. The limited attention to the EU in their manifestos may well be indicative of their less enthusiastic stance on the EU. Even more striking was the virtually complete absence of views on EU

¹⁷ Taggart & Szczerbiak (2004), p. 13.

¹⁸ “Kristlikud Demokraadid seisavad kristlike väärtuste eest ühiskonnas,” <http://www.ekd.ee/index.php?id=70> (accessed 3 August 2007). Its European umbrella organization, ECPM stresses subsidiarity, national identity in the EU and balance between the member states and the EU while embracing solidarity. See <http://www.ecpm.info/en/standpunten> (accessed 30 July 2007).

¹⁹ In few cases, party programs from the same period have been used if election manifestos were not available.

²⁰ The issues listed here is a simplification. While the parties stressed those issues slightly more than the others, each of the manifestos had other references to EU policies and most of the topics listed were also found in manifestos of other parties.

policy in the manifesto of the Christian Democrats that once was regarded to be a clearly Eurosceptic party. The Russian Party, the (ethnic Russian) Constitution Party and the Left Party all made favourable if somewhat vague mentions on the EU in their manifestos – the latter welcomed the EU and more integration if it was based on the Nordic model (i.e. common tax policy for common social policy). The Independence Party stood out as the only eurosceptical party before 2007 Riigikogu elections. The contrast to the rest was especially strong as it called for leaving the EU and considered the ratification of the Constitutional Treaty by parliament an act of high treason. Its strongly anti-EU rhetoric only managed to mobilize the support of 0.2 per cent of the voters.

Competition

Changes in Estonian Party System

The 2004 European elections in Estonia were characterized by impressive success of the Social Democrats that was a modest party in Estonia, but managed to win half of the six seats. Even though polls conducted immediately after the election showed increase in intention to vote for the party in national elections, their success failed to increase significantly their popularity in elections to the national parliament. Even though turnout in European Parliament elections was much lower than in 2007 parliamentary elections (27 and 62 per cent respectively), there were actually more people voting for the Social Democrats in 2004 compared to 2007. Thus, the party's popularity in European elections was mostly due to its relatively favourable views on the EU or the personal popularity of the top candidate Toomas Hendrik Ilves. According to 2004 post-election survey, for two thirds of Social Democrats' supporters, the candidate was more important than the party. The respective figure for other parties contesting the European elections was only 38 percent. It remains surprising that the popularity of Ilves managed to make his party second most popular immediately after the elections. While the later evidence shows that such effects may not be long-lasting, the parties may convert its European success into domestic gains if electoral calendar happens to be more favourable.

Table 1 Parliamentary and European Parliament Elections in Estonia, 1992-2007 (vote %)

	Parliament				European Parliament 2004	Parliament 2007
	1992	1995	1997	2003		
Reform Party	-	16.2	15.9	17.7	12.2	27.8
Centre Party	12.2	14.2	23.4	25.4	17.5	26.1
Union of Pro Patria and Res Publica	-	-	-	-	-	17.9
Social Democrats	9.7	6	15.2	7	36.8	10.6
People's Union	-	- ^a	7.3	13	8	7.1
Greens	- ^b	-	-	-	2	7.1
Res Publica	-	-	-	24.6	6.7	-
Pro Patria	22	7.9	16.1	7.3	10.5	-
Coalition Party	13.6	32.2	7.6	-	-	-
United People's Party ^c	-	5.9	6.1	2.2	-	-
National Independence Party	8.8	-	-	-	-	-
Independent Royalists	7.1	0.8	-	-	-	-
Estonian Citizen/Better Estonia	6.9	3.6	-	-	-	-
Others	19.7	13.2	6.4	2.6	6.3	3.3
Total	100	100	100	100	100	100
Turnout	67.8	68.9	57.4	58.2	26.8	61.9

Notes:

^a In electoral coalition with the Coalition Party.

^b In 1992, the election was contested by a Green party that has no connection to the more recent one.

^c Electoral coalition "Our Home is Estonia!" in 1995.

Beside the 50 percent increase in the popularity of the Reform Party and the merger of Pro Patria and Res Publica parties, the major change in Estonian party system between 2007 and 2004 was the entry of the Greens to the parliament.²¹ The initiator of the party, Marek Strandberg contested 2004 European Parliament elections with some success, managing to win more than two percent of national vote. While the intent was clear already in 2004, the party itself was officially established in late 2006 and it did not contest 2005 local elections. It is difficult to assess the exact impact of contesting European elections on the success in parliamentary election, but it was certainly positive to a degree. On one hand, it was a test for the upcoming party; on the other, it provided the Greens with some necessary and relatively cheap – compared to national election campaigns – media coverage.

²¹ The disastrous European elections did not help to turn the tide for Res Publica that was losing popularity in 2004. The increase in Reform Party's popularity is difficult to link with EU – if only indirectly, as the Prime Minister's party in 2007 was successful in turning the post-accession economic growth into votes.

Electoral System Effect

One effect of European Parliament election is that it is an additional event that provides parties with opportunities to raise their profile and poses risks for instance to make costly mistakes in campaigns. On the other hand, it is known from electoral system research that different rules *per se* shape party systems. In particular, it is well-established that small magnitude – or effective magnitude to be more exact – lead to fewer parties and is harmful for smaller parties. An extreme example of that is posed by first-past-the-post systems in United Kingdom and USA, where third parties are strongly underrepresented. Rein Taagepera has proposed a general formula linking magnitude and effective threshold – i.e. rough votes percentage that should grant a party a seat in the parliament:

$$T_e = 75\% / (M+1)$$

where T_e is effective threshold and M is district magnitude.²² Note that if legal electoral threshold is used and that is higher than T_e , the former overrides the latter.

In Estonian parliamentary elections, a five percent legal threshold is in use.²³ In European parliament elections, all Estonian MEPs are elected in a single nationwide constituency based on d'Hondt method. No legal threshold is used and the magnitude yields an effective threshold of 10.7 percent. Therefore, a party may expect a seat only if it wins the support of slightly more than ten percent of voters. In principle, such a system should benefit larger parties at the expense of smaller ones. Besides this mechanical effect, parties that fail to win seats may risk falling victims to the psychological effect by losing credibility as serious contenders for office.

²² First mentioned in Arend Lijphart (1994). *Electoral Systems and Party Systems: A Study of Twenty Seven Democracies 1945-1990*. Oxford: Oxford University Press, pp. 182-183.

²³ Even though the average magnitude of first tier electoral districts is 8.4 that corresponds to $T_e=8\%$, the seats distribution is actually determined by vote shares in second nationwide tier of $M=101$ that would yield a lower T_e than five percent.

In 2004, the effective threshold worked well, as the last party to win a seat won 10.5 per cent of the vote – that is very close to T_e . However, large parties in terms of support in 2003 national elections failed to live up to their strength. Rather, the Social Democrats shrewdly used Ilves' outstanding *foreign policy competence* as a mean to bash competitors in *Pan-European* elections to excel themselves. According to 2003 parliamentary election results they should have failed to win any seats, but they managed to get three of the six. In contrast, Res Publica and People's Union, that should have won seats according to their 2003 results, failed to win any. The reasons are not of major interest here,²⁴ but it can be argued that their failure might have accelerated the parties' decline in national politics. While there are certainly many factors at play, it is striking that the main winner of European elections did better in 2007 parliamentary elections than in 2003 while both of the losers in 2004 lost ground later – especially the waning Res Publica that had to merge with Pro Patria before 2007 elections.

EU Politicians from Estonia and National Politics

Some of the top politicians nominated or elected to EU positions have remained only marginally active in Estonian politics. That is clearly the case with the Estonian commissioner Siim Kallas, who has at times voiced his views on current issues, but mostly from a broad perspective and cautiously on a non-partisan basis. The involvement of MEPs in Estonian politics differs. Some are occasional contributors to Estonian media, while others are less active and tend to focus more on pan-European rather than domestic issues. It remains to be seen whether Estonia would see a return of “European” politicians to domestic politics, for example, when the terms of the present European Commission and European Parliament come to an end in 2009.

At the time of writing, there has been a single major return from the European Parliament to Estonian politics. Toomas Hendrik Ilves was the top candidate of

²⁴ Res Publica was inconsistent regarding its stance of European integration compared to referendum on membership. The softly Eurosceptic People's Union might have fallen a victim of the fact that it was mostly the Euro-enthusiasts who participated in the election. For more, see Allan Sikk (2006).

Social Democrats in 2004 European Parliament elections who managed to win almost a third of total votes and stood behind the remarkable success of his party. In 2006, he stood down as he was elected the president of Estonia – somewhat surprisingly as the incumbent Arnold Rüütel was deemed to have very good chances even five months before the elections.²⁵ There are perhaps two main factors behind his success. First, the anti-Rüütel parties²⁶ had learned their lessons from 2001, when the lack of cooperation impeded presenting a common candidate to oppose Rüütel who was controversial as he had held several high offices during the communist era. In 2006, the screening process of alternative candidates for the presidency resulted in singling out of Ilves and former parliamentary speaker Ene Ergma, who were presented as candidates in consecutive rounds in the parliament.²⁷ Secondly, the European Parliament elections may have given a boost to Ilves' chances. The European elections were advantageous for two reasons. On one hand, he would have never received that much publicity and that many votes in national elections, as the Social Democratic party has for some time been out of top three parties. On the other hand, his qualities as a candidate – excellent record as an ambassador and foreign minister – clearly stood out better in the context of *international* than *national* elections.

One can argue that Ilves was a well-respected politician already before 2004, often ranking high in polls on most popular politicians. Thus, his impressive success in European elections might not have contributed to his later successful bid for presidency, but both might have been the result of his popularity. However, most well-respected never become serious and successful contenders for presidency, and the sequence of events hints at European elections keeping Ilves constantly in the picture. If the European elections did not take place, he did not contest them or was not as successful, Ilves would have likely remained a former foreign minister and

²⁵ Kai Kalamees. "Ülekaalukalt suurima toetusega Toomas Hendrik Ilves tõusis rahva uueks lemmikuks üleöö," *Eesti Päevaleht*, 13 April 2006.

²⁶ Reform Party, Res Publica, Pro Patria, Social Democrats.

²⁷ The Centre Party also took part in the screenings but left during the process to support Rüütel. However, it was hoped that some of Centre Party MP-s might defect and support either Ergma or Ilves in the parliamentary rounds of voting. Rüütel was not nominated in the parliament, as he had no chance of getting enough support there. Eventually, Ilves defeated Rüütel by a narrow margin in Electoral College.

the former leader of a moderately smallish party. This counterfactual argument highlights the potential role European elections might have played in helping to secure the presidency for Toomas Hendrik Ilves.

The status of MEPs and EU-specialists among Estonian parties has been moderately high. As of July 2007, four of the six Estonian MEPs are board members of their respective parties – Andres Tarand (Social Democrats) and Toomas Savi (Reform) are the exceptions. Katrin Saks was elected vice-chair of the Social Democrats in May 2005. However, the practical compatibility of the two positions was questioned in Estonian press. Given the moderately large number of parties and small number of MEPs from Estonia, it would not be realistic to expect stronger representation of them in party boards. Given the rough average size of party boards – a dozen – the absolute imaginable share of MEPs among board members would approach 50 percent – only if a single party managed to win all Estonian seats in the European Parliament. Thus, there are sheer numerical constraints on the overall influence of MEPs in party structures, complemented by physical factors such as the distance of Brussels and Strasbourg from Tallinn and only modest frequency of air traffic to Brussels.²⁸ However, the presence of EU-specialists among party elites is more marked when looking at the composition of Estonian parliaments' European Union Affairs committee – five out of its fifteen members were vice-chairs of their respective parties and further four were board members as of July 2007.²⁹ These figures show a slight increase compared to the composition of European Affairs Committee in mid-2003, when the twelve members included a party chair (now MEP Tunne Kelam), a vice-chair and four additional party board members.³⁰

²⁸ Four flights a week as of July 2007.

²⁹ While none of the party chairs were members of the EU Affairs committee, only two parties (People's Union and the four spokespersons of the Greens) had their chairs represented in the parliament – chairs of other parliamentary parties were either ministers (incompatible with the position of an MP in Estonia) or mayors (Edgar Savisaar, the Centre Party leader, was a mayor of Tallinn).

³⁰ The share of party executive elite among the members of European Affairs Committee has thus increased from 50 percent to 60 percent from 2003 to 2007.

Four Estonian MEPs were involved in a notable affair in 2007 parliamentary elections. Oviir (Centre), Tarand, Saks, and Mikko (all Social Democrats) – ran as candidates in national elections. According to the rules of the European Parliament the two posts cannot be held concurrently. The four publicly stated that they had no intention to take up the seats in Riigikogu and were running to promote their parties. All four won considerable amount of votes – for example, the Social Democrats’ candidates accounting for 7.5 percent of the party’s total vote. Three of the MEPs were successful in their “bid” for a seat but refused to take an oath. According to Estonian law it was impossible to simply give up the seat without taking it up first, but after taking an oath Riigikogu would have been required to notify the European Parliament that would have in turn terminated their mandates. The issue ended up in the Supreme Court, that only more than five weeks after elections terminated their mandates as Riigikogu members. As the problem led to the first sitting of the newly-elected parliament being delayed by more than a month, the controversy gained substantial adverse publicity and the integrity of such action by MEPs was questioned in national press. While the affair likely did some harm for the public image of Estonian MEPs, their running in national elections without intent of taking up the seats cannot be ruled out in the future. Rather, stepping down before the new parliament convenes has been made possible.³¹ Thus, the MEPs may interfere in national politics also “from afar” even if the 2007 scandal will leave bitter trails, other and more innovative means of employing MEPs for the benefit of their parties may be invented. To conclude, party elites leaving for Europe may not be completely lost for Estonian politics. Still, they often leave behind vacancies – for instance, party leadership – that are filled by people who are different, and the importance of personalities in Estonian politics should not be underestimated. Furthermore, as Ilves has shown, they may well return in style or simply exert influence on domestic party competition.

³¹ In Estonia, high-profile candidates have ran national elections very successfully without taking up the seats before. Leaders of the two largest parties have engaged in such practice. Andrus Ansip – the chair of the Reform Party and the prime minister at the time of writing – ran for the parliament both in 1999 and 2003 only to remain the mayor of Tartu, the second largest city in Estonia. The second time, he managed to win almost twice as many votes as any other candidate in the district. Edgar Savisaar – the chair of Centre Party – won twice as many votes as the runner up in his district in 2007 but gave up his seat at the parliament to become the mayor of Tallinn after realizing his party would be left out of the ruling coalition.

European Party Affiliations

Table 2 MEPs and European affiliation of Estonian political parties

Party	MEPs^a	European affiliation^b
Reform Party, Centre Party	Toomas Savi (Reform) Siiri Oviir (Centre)	ELDR
Pro Patria and Res Publica Union	Tunne Kelam	EPP
Social Democratic Party	Marianne Mikko Andres Tarand Katrin Saks	PES
People's Union		AEN
The Greens		EGP
Left Party		European Left
Christian Democrats		ECPM
Independence Party, Constitution Party, Russian Party		-

^a as of July 2007.

^b All Europarties are represented in the European Parliament. ECPM is a partial exception, as it does not have its own faction but the Dutch ChristenUnie is a member of Ind/Dem group.

Table 2 lists European affiliations of Estonian political parties alongside their representatives at the European Parliament. All parties that contested 2007 parliamentary elections have defined themselves at the European level with three exceptions: the nationalist Euroskeptic Independence Party and two ethnic Russian parties. The ELDR group of European Parliament has members of two Estonian parties. Despite a hypothesis proposed in an earlier article on Europeanization and Estonian party system,³² there is no evidence that the Reform and Centre parties have become closer to each other as a result of sharing the political group in the European parliament. On the contrary, the Centre party was dropped from Andrus Ansip's cabinet after 2007 Riigikogu elections and the relationship between the parties was bitter already during the run up to elections, especially after the two supported opposing candidates in presidential elections late in summer 2006. Neither is there any clear evidence of them converging on policies.

The membership in Euro-parties is perhaps more significant and visible in case of parties not themselves represented in the European Parliament and Riigikogu, such as the Greens, the Left Party and Christian Democrats. As emerging or marginal parties, they have attempted to make use of their European contacts to acquire

³² Sikk (2006), p. 58.

significance in national politics. After all, related to a strong European party that has no MEP-s from Estonia.

The role of the Greens has been particularly interesting. Although left out halfway through the 2007 coalition negotiations, in many ways, they have been closer to the government than the rest of opposition parties. That was best exemplified in Marek Strandberg's witticism that as parts of the government manifesto were proposed by Greens' the party was rather in "deposition" than opposition.³³ The Greens have sometimes liaised between the Estonian government/parliament and European Greens-European Free Alliance (EG-EFA), notably following the rioting in April 2007 after the relocation of World War II memorial. While the European Parliament condemned the Russian over-reaction to the events and the effective blockade of Estonian embassy in Moscow, the EG-EFA fraction (fifth largest in the European Parliament) had initially some reservations.

At times, the Left Party has stressed its membership in European Left Party to raise its domestic profile. During the 2007 parliamentary election campaign, the Christian Democrats³⁴ used a prominent reference to European Christian Political Movement (ECPM) in its outdoor posters and web-site. Estonian Christian Democrats have been rather active in the movement that does not have a group in European Parliament, but is represented there by one of its member parties (the Dutch ChristenUnie). Its conference in 2005 took place in Tallinn and Peeter Võsu of Estonian Christian Democrats serves as the president of the movement.

Constraints: The Euro

In this section, we consider the issue of the Euro. The requirements for its introduction could pose a "new conditionality" – following the "old conditionality"

³³ Alo Raun "Strandberg: oleme depositsioonis," *Postimees Online*, 23 March 2007, http://www.postimees.ee/280307/esileht/olulised_teemad/riigikogu_2007/eestimaa_rohelised/252480.php (accessed 26 July 2007).

³⁴ Formerly the Christian People's Party.

of Luxembourg criteria – that restricts policy options governments and political parties are able to pursue. In a nutshell, it is argued that as the date of introduction of the common currency is partially at the discretion of national governments, the political parties may have opted for short-term electoral benefits partly at the expense of early introduction of the Euro.³⁵

For a long time, Estonia aimed to join the Euro-zone from 1 January 2007,³⁶ like Slovenia as eventually the only new member state did. The deadline was in power well until early 2006, was extended to 1 January 2008 by May, and reference to exact “€-day” was eventually dropped from the 5th version of National Changeover Plan in October 2006.³⁷ The sole reason behind the delay was the fact that Estonia failed to comply with Maastricht inflation criteria. While the country has ran budget surplus rather than deficit for years and it easily satisfies the government debt criterion, it has been struggling with the inflation criterion. Since 2004, the inflation rate has been constantly higher than the Maastricht reference value.³⁸ Major contributors to high inflation levels have been fast increasing GDP – boosted by low European interest rates that has substantially increased borrowing from abroad – and increase of energy prices (see Table 3).

³⁵ In April 2007, 47 percent of Estonians desired the adoption of the Euro as late as possible whereas only 15 percent wished for the adoption as soon as possible, the respective means for all new member states being 31 and 24. Similarly to all new member states (64 percent), the majority of Estonians (58 percent) incorrectly believed that the country has a choice whether to adopt Euro or not. See “Introduction of the Euro in the New Member States: Analytical Report,” Flash Eurobarometer 207, May 2007, http://ec.europa.eu/public_opinion/flash/fl_207_en.pdf (accessed 25 July 2007). The lack of enthusiasm and high levels of ignorance will leave ample room for governments to manipulate the public.

³⁶ “Adopting the euro in the new Member States,” *EurActive*, <http://www.euractiv.com/en/enlargement/adopting-euro-new-member-states/article-129655> (accessed 26 July 2007).

³⁷ 3rd version: www.nordea.ee/sitemod/upload/Root/www.nordea.ee%20-%20default/Uudised/Europlaan.pdf, 4th version: www.hansa.ee/et_pdf/Europlaan_EST.pdf, 5th version: www.eestipank.info/pub/et/majandus/euroopaliit/euro/eplaan_1.pdf (all accessed 28 July 2007).

³⁸ No more than 1.5 percentage points higher than the three best-performing member states of the EU. Staff Report for the 2007 Article IV Consultation, July 10, 2007, p. 19, <http://www.imf.org/external/pubs/ft/scr/2007/cr07255.pdf> (accessed 29 July 2007).

Table 3 Inflation in Estonia 2002-2006

Year	2003	2004	2005	2006
GDP growth (%)	7.1	8.1	10.5	11.4
Inflation (%)	1.3	3.0	4.1	4.4
Maastricht reference value (%)	2.8	2.5	3.0	3.0

Sources: IMF Executive Board Concludes 2007 Article IV Consultation with the Republic of Estonia, Public Information Notice (PIN) No. 07/88, July 30, 2007, <http://www.imf.org/external/np/sec/pn/2007/pn0788.htm> (accessed 30 July 2007). Maastricht reference values are approximations by the author, based on Eurostat HICP database, http://epp.eurostat.ec.europa.eu/pls/portal/url/page/PGP_DS_HICP (accessed 29 July 2007).

The criteria for joining the Eurozone can be considered to be a “new conditionality”. Before accession, introduction of *acquis communautaire* in national legislation was a major constraint on government policy and more indirectly on party programs. Thus, constraints were there already some time before Estonia together with other Central and Eastern European countries acceded to the EU. Joining the union was by no means inevitable, and failure to do so might even have appealed to the Eurosceptic sections of population, but in general governments and political parties would have faced serious electoral repercussions for failing to become an eligible candidate or failing to accede to the EU. Furthermore, the diversion of investments resulting from it might have been fatal both to country’s economics and consequently to its government. All in all despite significant levels of Euroscepticism Estonia and other pre-2004 accession countries, the governments could not really risk being left out as any electoral benefits could have hardly outweighed the negative consequences. Thus the “elite consensus”³⁹ was in large part a very calculated position.

The issue of the Euro is in some ways similar to the one of accession – joining the EMU has been a stated aim of all Estonian governments and most political parties have not voiced significant objections to it. As later membership in the EMU was a precondition of joining the EU, the three macroeconomic criteria can be considered to constitute remarkable constraints on the aspiring countries’ economic policies. However, three significant aspects should be noted that make the Maastricht criteria less of a constraint than initial joining of the EU was.

³⁹ Evald Mikkel & Geoffrey Pridham (2004). “Clinching the ‘Return to Europe’: The Referendums on EU Accession in Estonia and Latvia,” *West European Politics*, 27(4): 716–748, p. 719.

First, the deadlines for joining the EMU have been somewhat vague and as governments have nowhere near complete control over the criteria – especially the inflation – delays are understandable. At the same time, there is no strict proscription on all policies that may increase inflation and thus possibly delay the introduction of Euro. While successive Estonian governments have adhered to fiscal discipline and very modest public debt burden, the tax policies have not always been anti-inflationary. Thus, despite the imminent threat of overheating of Estonia's economy, successive governments have continued with personal income tax cuts even though it adds its share to inflationary pressures.⁴⁰ While the magnitude of its actual effect can be debated, it shows that even if governments may be dedicated to sound macroeconomic policies, electoral pressure may lead them to make certain concessions.

The issue of harmonizing excise taxes to the EU standards is also indicative. The Accession Treaty had foreseen a relatively slow timetable for bringing the Estonian excise taxes in line with the EU minimums. In 2006, joining the EMU became less and less likely as inflation was clearly over the Maastricht reference value and overheating of Estonian economy loomed, IMF suggested bringing the increases in excises on fuel, electricity, alcohol, and tobacco forward so as to take their inflationary pressure off the years when EMU-compatible inflation level would have been possible to attain. However, during 2006, the government ruled out early increases, only to go forward with them in spring 2007 – evidently after the electoral pressure had gone off. There is no reason to believe that the government was not sincerely committed to the early introduction of Euro. That objective was simply counterbalanced by the fear of very likely backlashes in popularity shortly before parliamentary elections. The weak popular support for the introduction of Euro (see Figure 1) did not raise the attractiveness of IMF's proposals.

⁴⁰ The uniform tax rate decreased from 26 to 22 percent from 2003 to 2007, a further drop to 18 is planned by 2011. The monthly tax free allowance decreased from 1000 to 2000 EEK from 2003 to 2007, while an increase to 3000 EEK is expected.

Remarkably, during the 2007 election campaign, the delay in the introduction of Euro was a minor object of debate. Only Taavi Veskimägi – former Minister of Finance and at the time chair of Res Publica – criticised the government for not taking the deadlines seriously enough. However, the rest of the newly-merged Pro Patria and Res Publica Union did not echo the criticism. Other parties did not much mention of the issue – presumably because of the modest support for introduction of the Euro among the population. Also, the inflation level was related to racing economic growth and no political party dared to criticise directly the macroeconomic policies that had brought it about as they all wished to capitalise on their presumable role in granting for instance the 14 per cent average pay rise in 2006.⁴¹

The argument may understate the importance of Maastricht criteria in constraining national policy options. Indeed, the bringing forward of excise increases can only be explained in terms of EMU conditionality and cannot be explained well in terms of national political or even economic dynamics. While the range of economic policy options may not narrow if inflation becomes much easier to control or Maastricht targets gets unattainable for objective reasons, one can reasonably expect the Euro issue to become more prominent in 2011 parliamentary elections. At the time of writing, 2011 is also the intended deadline and will likely be taken into account when assessing government performance by the electorate. Even if the support for Euro will not increase significantly the unpopular excise increases will seem less justified if it would not be introduced. Even in the eyes of €-skeptics, the government may lose credibility if it fails to achieve the set objectives. The conditionality is real and the issue of Euro will likely become more stressing -- the above discussion merely highlights the fact that such constraints are always mediated by domestic political considerations such as timing of elections and popular position on particular issues.

⁴¹ Statistics Estonia, Statistical database: Economy - Wages and salaries and labour costs - Wages and salaries, http://pub.stat.ee/px-web.2001/I_Databas/Economy/36Wages_and_salaries_and_labour_costs/09Wages_and_salaries/02Annual_statistics/02Annual_statistics.asp (accessed 3 August 2007).

Conclusion

This paper demonstrates the intricate nature of EU membership's effect on Estonian party politics. On one hand, there is certainly something out there. Estonia takes part in European decision-making and discussions on the future of the EU. That requires the parties to take a stance on European issues at least once in a while. European parliament election with its particular electoral system is a new factor shaping patterns of political competition. A new stratum of EU politicians has emerged who do not necessarily limit themselves to Brussels and may use their high profile for domestic political purposes. All major Estonian parties are to some extent engaged in work of Pan-European parties. National policy options are constrained by EU common policies and rules for member states – in particular EMU membership requirements. The effects may be somewhat fuzzy, but Estonian party politics would be different in the absence of the EU.

However, there is a second side to the story. Estonian parties and the public are not particularly concerned about the EU – its current affairs or its future – reflected by the low standing of these issues in party manifestos. The inaugural European parliament elections had a record-low turnout, focussed more on the experience of candidates than party manifestos and the different pattern of competition there influenced Estonian party system at best subtly and temporarily. The Maastricht criteria put constraints on economic policy options but parties make good use of the feasible range and may even try to expand it – subject to any laxity in the rules and aided by popular ignorance of the issue. Domestic political concerns have remained prevalent, and if the EU has had any effects, it is severely constrained by the inertia of pre-existing patterns of party competition and parties' main preoccupation with their business in Tallinn rather than Brussels.

Acknowledgement

The surveys conducted by the Department of Political Science, University of Tartu have been sponsored by the Targeted Financing Grant 0182573 from the Ministry of Education and Science of Estonia.