ESTONIA IN THE 1990S

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ABSTRACT. As Estonia nears its second decade of restored independence, it seems appropriate to offer an overview and assessment of developments during the 1990s. The time perspective is now sufficient to justify such an exercise, and although numerous specific -- and often very valuable -- studies of various aspects of the transition in Estonia have been published in recent years, they typically remain focused on only part of the overall picture. After a brief look at the process by which an independent Estonia was reestablished in 1991, this article provides a summary analysis of the main trends in domestic politics, foreign policy, economic development, population shifts and society, and culture during the decade of the 1990s. The emphasis is on the political sphere, but all major aspects of Estonia's post-communist evolution are covered.

The Restoration of Independence

During the glasnost' era Mikhail Gorbachev consistently underestimated the significance of the nationality question in the Soviet Union and never found a viable answer to the questions it posed. As Soviet power began to erode, Gorbachev was caught in a vortex of conflicting interests among Moscow's political elite. Maneouvring among these competing forces, Gorbachev turned toward the hard-liners in late 1990, but the bloody repression carried out in Vilnius (fifteen killed, over 500 wounded) and Riga (five killed) in January 1991 backfired. The threat it posed to his own political future mobilized Boris Yeltsin, as leader of the Russian Federation, to travel to Tallinn during the January crisis and to reaffirm the right of the Baltic peoples to self-determination. His support and the strength of the resistance during the crackdown in Lithuania and Latvia helped Estonia escape the bloodshed, and in contrast to the situation in the other two Baltic republics, no "Committee of National Salvation" was proclaimed by pro-Soviet groups in Estonia. Moreover, the threat of military suppression galvanized the Estonian will to resist; for example, directions for systematic civil disobedience, if the Estonian government were forcibly removed from power, were published in the Estonian press. The Estonian writer Jaan Kaplinski, in an interview in Finland, asserted that the scenario of 1940 in the Baltic states would not be repeated. There would be no "surrender," he declared, and none of the Baltic leaders would sign agreements capitulating to Moscow's wishes (Estonian Independent 17 January 1991: 1-3, Helsingin Sanomat 22 January 1991: B4). It is noteworthy that intra-Baltic cooperation, which had begun in earnest in 1988 with the founding of the
Estonian and Latvian Popular Fronts and Sajūdis, remained strong during the Soviet Union's final months, in striking contrast to the situation in 1939-1940.

The political stalemate between the Baltic States and the Kremlin continued during the spring and summer of 1991 with no apparent solution in sight. Ironically, it was an unexpected event -- the abortive coup led by desperate hard-line political forces in Moscow in August 1991 -- that made the final push toward the reestablishment of Estonian and Baltic independence possible. After much vacillation, Gorbachev finally attempted to negotiate a new Union treaty among the Soviet republics in summer 1991, but the hard-liners' virulent opposition to any serious reform of the structure of the USSR propelled them into ill-fated action. By discrediting the strongest supporters of a highly centralized system, the failed coup greatly accelerated the trend toward decentralization in the Soviet Union and its final collapse by the end of 1991. The reemergence of an independent Estonia took place in circumstances that paralleled those obtaining in the years 1917-1920: a combination of a favourable external situation, i.e., a decaying imperial power, and internal readiness to take advantage of the opportunity that presented itself.

As was the case elsewhere in the Soviet Union, the Moscow coup that began on August 19, 1991 initially took the Estonian government and the Supreme Council by surprise. Nevertheless, both the government and the parliament strongly condemned the coup on its first day, and were the Supreme Council hindered from meeting, it declared that all its powers would be transferred to a three-member Extraordinary Defense Council. Before the parliament voted on these matters late on August 19, the majority of non-Estonian representatives withdrew from the session, declaring their solidarity with the Moscow coup. On August 20, stressing the Republic of Estonia's continuity as a "subject of international law," the clear results of the March 1991 referendum on independence, and the impossibility of negotiations with the USSR following the coup, the Supreme Council unilaterally affirmed Estonian independence and sought to restore the "diplomatic relations of the Republic of Estonia." Furthermore, it established a Constitutional Assembly comprised of delegates from both the Supreme Council and the Congress of Estonia who were to draft a new constitution and present it to the electorate for a referendum.

Parliamentary elections on the basis of this constitution were to be held in 1992. The vote on this resolution was 69-0 with nearly all of the non-Estonian delegates not participating, either because they opposed it or feared the consequences of such a step, and it reflected a fundamental division in political attitudes. The Estonian representatives viewed the world through an Estonian, or at times a Baltic, prism, whereas the Russian and other non-Estonian delegates generally had a Soviet identity in which Estonia played
only an incidental role. During the initial days of the coup, Soviet military forces made a modest show of force in Estonia, including briefly closing the port of Tallinn on August 19 and occupying the Tallinn television and radio tower early on August 21. However, that same day the coup unravelled in Moscow, and Soviet troops left the tower in the evening. On August 22, paratroopers brought to Estonia from Pskov on August 20 also began their withdrawal. Both the civilian population and the Soviet forces remained calm, and no loss of life occurred during the attempted coup (Postimees 20 August 1991: 1, 21 August 1991: 3, Baltic Independent 30 August-5 September 1991: 3, Kaks otsustavat päeva 62-8).

Heeding calls for unity among Estonian political forces, the Supreme Council and the Congress of Estonia showed a significant ability to cooperate during the crisis toward the common goal of independence, and it was fitting that the two rivals became reconciled during the final steps toward the restoration of an independent Estonia since each had played a major role in the overall process. During the transition to a new constitution the government of Prime Minister Edgar Savisaar, which had begun in April 1990, continued in power. It took immediate steps to ban the pro-Moscow wing of the Communist Party, the Interfront, the United Council of Work Collectives (associated with all-Union factories in Estonia), and workers' militias in the heavily non-Estonian cities of Narva and Kohtla-Järve for actively supporting the Moscow coup, and it began the process of dismantling the KGB. Following the collapse of the attempted coup in Moscow, international recognition of the independence of Estonia and the other two Baltic states started to pour in, beginning with Iceland on August 22 and including most of Europe in the next several days. Particularly important for Estonia was recognition by Yeltsin's Russia on August 24, the United States on September 2, and finally Gorbachev and the Soviet Union on September 6 (Baltic Independent 30 August-5 September 1991: 1-3, 6, Postimees 3 September 1991: 1, 7 September 1991: 1). Nevertheless, it was clear that a difficult post-communist transition period awaited Estonia and its inhabitants. Above all, it had to cope with the legacy of five decades of Soviet misrule, and it faced the challenge of redefining its existence as an independent entity in both domestic and foreign affairs.

Politics in the 1990s

In this formidable task of rebuilding the country's political and economic structure, Estonia and its Baltic neighbours -- Latvia and Lithuania -- had several advantages compared with other former Soviet republics. Communism in the Baltic States had lasted only two generations (not three, as nearly everywhere else in the USSR), and the Balts retained a historical memory of their initial two decades of independence in the interwar era.
Although the political legacy of this period was mixed, e.g., the years of authoritarian rule in Estonia (1934-1940), the experience did signify the beginning of a modern civic culture, including the regular national elections and the multiparty system of the liberal democratic era (1920-1934), and it served as a positive tradition that could be appealed to in the post-communist transition. Furthermore, during Soviet rule Estonia had special ties to neighbouring Finland, including access to Western television in the northern third of the country and the stimulating impact of large numbers of Finnish visitors, that provided its inhabitants with a unique window on the West. It is important to note that the contacts with Finland involved significant numbers of intellectuals, who often took a strong interest in Estonian culture, and not just “vodka tourists.” Thus, for Estonia the transition to a Western-style political and economic system was less of a shock than for other former Soviet republics. For all three Baltic states in the 1990s, the renewal and expansion of political, economic, and cultural relations with Scandinavia, on both official and grass-roots levels, also significantly aided the process of renewal. Overall, in comparison to other former communist countries, the political evolution of Estonia and the other two Baltic states in the 1990s was most similar to that of the lands of northern East Central Europe -- Poland, Hungary, the Czech Republic, and Slovakia.

As suggested in the Supreme Council’s resolution of August 20, 1991, the first order of business in domestic politics was drafting a new constitution. After further negotiations, the Supreme Council and the Congress of Estonia each elected thirty members to the Constitutional Assembly. About one-third of the delegates were associated with the Popular Front, another third were “national radicals,” nearly a quarter were moderates and reform communists, and seven were ethnic Russians of various political persuasions. As the basis for its deliberations, the Constitutional Assembly, which met from September 1991 to April 1992, chose a draft based on the liberal Constitution of 1920, but purged of its extreme parliamentarism. Although a sizeable minority of delegates favoured a strong executive branch, a tendency enhanced by many of the comments on the draft from the public, only two limited concessions were made in this direction: (1) the head of state was called “president” rather than “riigivanem” (as in 1920), and (2) the first presidential election would be direct, as a one-time compromise (Taagepera 217, 222-8). On June 28, 1992, in the promised referendum, 66.3 percent of the eligible voters went to the polls and overwhelmingly approved the new constitution -- 91.2 percent “yes” vs. 8.8 percent “no” (Baltic Independent 3-9 July 1992: 1).

Before the constitutional referendum took place, the Estonian authorities had to come to terms with the citizenship question, a delicate issue which the pre-independence Estonian government had avoided for fear of locking itself into a long-term commitment while the question of political sovereignty
remained unresolved. In November 1991, after the restoration of independence, Estonia reinstated its 1938 citizenship law. All citizens of Estonia in June 1940 and their descendants, regardless of ethnic background, were automatically considered citizens. Naturalization required two years of residence (counting from March 30, 1990, when Estonia declared the beginning of a transition period to renewed independence) and an additional one-year waiting period, a modest level of competence in Estonian, and an oath of loyalty to the constitution (Bungs et al. 38-9). In practice, since very few non-Estonians residing within Estonia’s post-1945 borders were descendants of persons living there in June 1940, this solution meant that the great majority of non-Estonians were excluded from participating in national elections until at least April 1993. In January 1995, the Riigikogu passed a new citizenship law that raised the residency requirement to five years plus the one-year waiting period (but only for new immigrants), putting Estonia closer to the prevailing European norm on this issue (Legal Acts of Estonia no. 6, 16 June 1995: 163-74).

Drawing on the liberal democratic tradition of the first independence era and on various Western models, the Constitution of 1992 allotted political supremacy to a unicameral parliament, called -- as in the interwar era -- the Riigikogu, with 101 members elected for a four-year term. The Riigikogu has ultimate authority over all key political decisions, including legislation, appointment of the Prime Minister and other leading officials, the longevity of governments, the state budget, and treaties with foreign countries. Parliament also elects the president, who cannot serve more than two consecutive terms, by a two-thirds majority for a five-year term, aside from the one-time compromise agreed upon for the first election, held in September 1992. If no candidate receives a two-thirds majority in the Riigikogu, a difficult task in practice and one not achieved in the 1996 elections, the whole process moves to the Electoral College, consisting of the members of parliament and representatives of local government. The Constitutional Assembly’s majority intended that presidential power be more ceremonial than real, but it is noteworthy that he represents the state in international relations, has the first two choices in nominating a prime minister, can force parliament to reconsider legislation, can initiate amendments to the constitution, and acts as supreme commander of the national defense (Eesti Vabariigi põhiseadus, Raun 356-7).

Among former Soviet republics, Estonia played a pace-setting role as the first to adopt a new constitution and hold democratic elections. Politically, the major turning point in Estonia’s evolution after August 1991 came only a year later with the holding of both parliamentary and presidential elections in September 1992. In contrast to the reformist ex-communists, Edgar Savisaar and Tiit Vähi, who headed the initial post-communist governments, the September 1992 elections brought to power a new political generation,
led by the youthful Prime Minister Mart Laar (b. 1960), and one which with few exceptions was free of any communist past (*Kes on kes* 83, *passim*). In a simultaneous ballot, direct presidential elections resulted in a runoff in the Riigikogu between the two top vote-getters, Arnold Rüütel, the popular chair of the outgoing Supreme Council and previously of the ESSR Supreme Soviet (41.8 percent of the popular vote), and Lennart Meri, writer and former foreign minister in one of the transition governments (29.5 percent). Nevertheless, Meri, who had spent five years as a deportee in Siberia under Stalin and had no communist past, won the runoff in the Riigikogu by a tally of 59-31 (*Baltic Independent* 9-15 October 1992: 1).

The 1992 Riigikogu elections resulted in a right-of-center majority and produced a three-party coalition consisting of Laar’s Fatherland (30 seats), the Moderates (12), and the Estonian National Independence Party (10). Despite retaining only a bare majority in parliament and growing unhappiness with the social consequences of his government’s Thatcherite economic policies, Laar managed to stay in office for over two years until unseated by a vote of no-confidence in September 1994. After a caretaker government consisting of the same parties held power for the ensuing six months, the 1995 Riigikogu elections brought a striking reversal of fortune for the ruling coalition, as three opposition or new parties won three-fourths of the seats in parliament: Coalition Party and Rural Union (a five-party alliance) -- 41, Reform Party -- 19, and Center Party -- 16 (*Baltic Independent* 10-16 March 1995: 1, 17-23 March 1995: 3). For the next two years, Tiit Vähi of the Coalition Party was returned to power as Prime Minister, first with the Center Party, led by Edgar Savisaar, and then with the Reform Party, headed by Siim Kallas. Vähi’s first cabinet lasted less than six months, falling victim to a taping scandal involving Savisaar.³ In March 1997, Vähi himself was forced out over allegations that his daughter had received favoured treatment in the privatization of her residence. He was succeeded by his colleague in the Coalition Party, Mart Siimann, who led a minority government for the next two years, a situation that greatly limited his options for showing initiative. The March 1999 Riigikogu elections witnessed another sound defeat for the parties in power, as the political pendulum swung sharply back in the other direction. Mart Laar reappeared as prime minister, heading a very similar three-party coalition (Fatherland Union -- 18 seats, Reform Party -- 18, and Moderates --17) to the one he led during 1992-1994. The largest representation in the new parliament was captured by the Center Party (28 seats), still led by Savisaar, but President Meri, who had been reelected in a rematch with Arnold Rüütel in 1996, chose to pass over him as a candidate for prime minister (*Baltic Times* 11-17 March 1999: 1, 10, 25-31 March 1999: 1, 10).

Of the five prime ministers who headed Estonia’s eight post-communist governments in the 1990s, three were reformist ex-communists (Savisaar,
Siimann, Vähi) while two were non-communists (Laar, Andres Tarand). Three also had ties to the Popular Front (Savisaar, Tarand, Vähi), and one was associated with the Congress of Estonia (Laar) (Keda me valisime 132, 237, 243, 261, 308). Representation among ministers and members of parliament generally followed this same mixed pattern. It is, however, important to note that former high-ranking communists did not make the transition to the new era — with the striking exception of Arnold Rüütel. The political left remained discredited after August 1991, and nearly all parties claimed to be centrist or rightist. The official successor to the ECP managed only 2 percent of the vote in the 1992 and 1995 Riigikogu elections, and it contested the 1999 elections only as a junior partner in the Russian-dominated United People’s Party of Estonia (Raun 360, Berg 63-6). Voter participation in post-communist elections did not reach the levels achieved during the glasnost’ years, e.g., 87.1 percent for the USSR Congress of People’s Deputies in March 1989 and 82.9 percent for the March 1991 referendum on independence, probably because less appeared to be at stake after the restoration of independence. Moreover, the economic difficulties many people experienced in the 1990s no doubt contributed to a certain level of voter alienation. Just over two-thirds of the eligible voters went to the polls in the 1992 Riigikogu elections (67.8 percent) and in 1995 (68.9 percent), but a worrisome trend was suggested by the sharp drop to 57.4 percent for the 1999 parliamentary elections (Raitviir, Postimees 18 October 1999: 3). It is also likely that various scandals associated with leading politicians in several of the major parties contributed to growing cynicism among the public. Although the legacy of corruption from the Soviet era was less telling in Estonia than in most other parts of the former USSR, it remained a significant problem and became an increasingly visible issue of public debate in the latter part of the 1990s.

A key change in the political landscape during the first post-communist decade was the substantial increase in the number of voters eligible to participate in national elections by about 30 percent from 1992 to 1999. This development reflected the growing number of Russians and other non-Estonians who were acquiring citizenship through naturalization, and it made possible the electoral success of Our Home is Estonia, a Russian-based alliance of three parties that gained six seats in the 1995 Riigikogu elections and of the United People’s Party of Estonia in 1999, also with six seats (Postimehe valimisteadtmik 121, Postimees 22 January 1999: 7, 10 March 1999: 3, Raun 352). However, it is also clear that considerable numbers of ethnic non-Estonians voted for Estonian parties in the parliamentary elections, especially the Center Party, and thus strict ethnic bloc voting among Russians in Estonia was not taking place. In any case, the Russian presence in the Riigikogu contributed to the process of political integration of non-Estonians and helped relieve ethnic tensions by providing a national
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forum in which Russian and Russophone concerns could be voiced. The strikingly different reactions of Estonian and Russian politicians in Estonia to the failed August 1991 coup, noted above, suggested that political integration would take a considerable period of time. In addition, the Constitution of 1992 offered the large number of non-citizens in Estonia an important concession by granting the right to vote in local government elections to all permanent residents eighteen years of age and older who had resided in a given locality for at least five years, although only citizens could run for local office (*Eesti Vabariigi põhiseadus* 44-5). This provision was particularly important for the heavily non-Estonian regions of the country such as the northeastern cities of Narva, Kohtla-Järve, and Sillamäe.

Perhaps the most striking aspect of the political transition in Estonia was the absence of violence in this process, both in the waning years of the Soviet Union and in the rapidly changing post-communist era, in contrast to the situation in the Caucasus, Central Asia, and the Balkans. Certainly, considerable ethnic tension and much economic hardship were present in Estonia, but they never reached the point of no return. The use of violence was never part of modern Estonian political culture, even during the authoritarian Päts regime of the 1930s, and Estonians tended to look to Scandinavia, and especially neighbouring Finland, as models of stable political development. During the years of Soviet rule Estonians were well aware of events in Eastern Europe and showed admiration for non-violent reform movements such as the Prague Spring and Solidarity. Furthermore, since Russians and other non-Estonians were overwhelmingly recent immigrants, there was no long history of ethnic tensions or grievances to contend with in contrast to several other parts of the post-communist world. It should also be noted that the credit for this record of non-violence should go to Estonians and non-Estonians alike (Raun 343).

The evolution of Estonia's political system in practice during the 1990s witnessed some shift of power toward the presidency. Although the Constitutional Assembly clearly intended that the Riigikogu should play the leading role in national politics, this did not prove to be the case. Despite the implementation of a five percent threshold for party representation in parliament, the electoral system, based on proportional representation as in the interwar era, once again encouraged fragmentation. Each of the three Riigikogus elected in the 1990s had at least seven parties or electoral blocs represented, and most of the latter consisted of several individual parties. Furthermore, especially in the early 1990s, numerous splits and reconfigurations occurred among the various parties and blocs. It was no surprise that the major beneficiary of parliamentary weakness was the presidency, especially since the office was filled in the 1990s by Lennart Meri, a charismatic figure whose approval rating was nearly always higher than that of any other Estonian politician. He also chose to play an activist
role in both domestic and foreign policy, seeking to interpret the constitution in ways that would enhance presidential power. For example, in June-July 1993 he forced the Riigikogu to reconsider and, in the end, make changes that softened the provisions in the controversial law on aliens, and in January 1994 he caused a temporary constitutional stalemate by his reluctance to confirm certain ministerial changes proposed by Prime Minister Laar (Baltic Independent 9-15 July 1993: 1, 16-22 July 1993: 1, 14-20 January 1994: 1, 3). Whether this shift of at least some power to the executive branch during the 1990s was a temporary or permanent phenomenon in the Estonian political system remained to be seen, especially since a new president would take office in 2001. The cumbersome procedures for electing the president, especially the requirement of a two-thirds majority in the Riigikogu, came under increasing scrutiny and criticism, and the option of direct election of the chief executive remained an attractive alternative for many Estonian politicians and much of the public at large.

Foreign Policy

In view of geopolitical realities and the experience of the previous five decades, it was clear that relations with Russia would remain Estonia’s most important foreign policy challenge in the 1990s. Throughout this decade Russia lived through an identity crisis, compounded by economic and political instability, and struggled to come to terms with its post-Soviet status. An imperial mentality continued to animate the thinking of many elements of the Russian political and military elites, and as former Soviet republics (even though their forced annexation under Stalin was never recognized by the major Western states), Estonia, Latvia, and Lithuania tended to be viewed as part of the “near abroad,” i.e., within a special sphere of influence reserved for Russia. During the first three years after August 1991 the issue of ex-Soviet troops in Estonia dominated the foreign policy agenda, since they constituted a clear infringement on the country’s restored sovereignty. In practice, a phased, if uncoordinated, withdrawal was taking place. From over 100,000 in the early 1980s, their numbers fell to about 25,000 in summer 1992 and then to some 2,400 by the end of 1993 (Homeland 8 November 1989: 2, Bungs 19, RFE/RL Daily Report 30 December 1993). Although Russia showed much reluctance about coming to a formal agreement on a final withdrawal, a dramatic breakthrough occurred in July 1994 during negotiations between Presidents Meri and Yeltsin in Moscow, no doubt aided by Western diplomatic intervention. Russia agreed to remove the rest of its troops by August 31, 1994, thus matching the already existing timetable for military withdrawal from Germany and Latvia, and Estonia consented to grant residence permits and other social guarantees for the more than 10,000 retired ex-Soviet and

A second significant question in Estonian-Russian relations, which remained unresolved in the 1990s, was the border issue. In 1945 Stalin arbitrarily annexed about five percent of Estonian territory (the lands east of the Narva River and about three-fourths of the district of Petserimaa) to the Russian SFSSR. The sharp differences between the two sides on this issue reflected the wide gap between them in their relations in general. On the one hand, Estonia, arguing on the basis of the Peace of Tartu (February 1920), sought affirmation of its independence through the Russian side’s explicit recognition of Article 2 of the treaty in which Russia renounced any claims to Estonia in perpetuity. On the other hand, Russia consistently maintained that the Peace of Tartu was rendered obsolete by Estonia’s “joining” the Soviet Union in 1940, and it refused to recognize any coercion from the Soviet side in the process of annexation. Because of its imperial hangover and internal problems, Russia was in no mood to make foreign policy concessions in the 1990s, but the Estonian side increasingly recognized the value of a stable and guaranteed border, especially as a means to combat smuggling and organized crime as well as to make Estonia a more attractive candidate for European Union membership. Moreover, the lands lost to the RSFSR were now almost entirely populated by non-Estonians. In November 1996, the Estonian and Russian foreign ministers agreed to accept the Soviet-era border with very minor revisions, and the Estonian side no longer insisted on mention of the Peace of Tartu in a border treaty (*Postimees* 3 February 1995: 3, 6 January 1996: 2, 6 February 1997: 9, *Helsingin Sanomat* 29 May 1994: C1, *Rahuleping* 3). Despite these concessions by Estonia, Russia continued to drag its feet with regard to ratification. Moscow presumably preferred to keep the issue unresolved since that would allow Russia to have more impact on Estonia’s foreign policy than if the matter were settled.

Under Soviet rule Estonia was cut off from membership in any significant international organizations, and a major goal of all three newly restored Baltic states was to rejoin the international community that they had been part of in the interwar era and, most especially, the European family of nations. In early fall 1991, Estonia, Latvia, and Lithuania were quickly admitted to the most inclusive world and European organizations, the United Nations and the Conference on Security and Cooperation in Europe. In March 1992, Estonia and its Baltic neighbours became founding members of the Council of Baltic Sea States, a ten-member regional organization established on the initiative of Germany and Denmark, and also including Norway, Sweden, Finland, Poland, and Russia. Its goal was to foster a wide range of cooperation, e.g., economic, environmental, humanitarian, and cultural, in the Baltic Sea region and also moderate the influence of the two
largest powers -- Russia and Germany (Kuusmann 83-4). Perhaps most importantly in the early independence years, in May 1993, Estonia, along with Lithuania, gained admission to the Council of Europe, an organization whose criteria for membership include holding democratic elections and adherence to strict standards of human rights. Despite Russia's vocal opposition, the vote to admit Estonia to the Council of Europe was nearly unanimous (*Helsingin Sanomat* 12 May 1993: A8, 14 May 1993: C2).

In the second half of the 1990s, Estonian -- and Baltic -- foreign policy focused increasingly on closer integration with the West, especially on candidacy for membership in the European Union and NATO. In June 1995, Estonia, Latvia, and Lithuania all concluded association agreements with the European Union, but uniquely among East Central European states, that of Estonia did not stipulate a transition period. In July 1997, the European Commission, the executive organ of the European Union, invited Estonia, along with the Czech Republic, Poland, Hungary, Slovenia, and the Greek portion of Cyprus, to become candidates for admission to the EU during its next round of expansion (*Baltic Independent* 16-22 June 1995: 1, *Baltic Times* 17-23 July 1997: 1, 8). Nevertheless, the road to membership was to be a long one, and in early 2000, EU expansion beyond the existing fifteen members still remained several years away. Estonia's candidacy was most likely boosted by its vigorous economic development and the support of neighboring EU members -- Finland, Sweden, and Denmark. The exclusion of Latvia and Lithuania from the first tier of EU candidate states raised tensions among the three Baltic states, as Estonia's southern neighbours claimed they had been unfairly treated in the process, but Estonia argued that the entry of one Baltic state into the EU would smooth the way for the other two. As regards NATO, neither Estonia nor the other two Baltic states were selected for the first round of post-Cold War expansion during which Hungary, Poland, and the Czech Republic were invited to join in July 1997 and achieved full membership by March 1999. All three Baltic states, led by their presidents, expressed concern about the possible emergence of a "gray zone" of insecurity between Russia and a partially expanded NATO. Nevertheless, negotiations and cooperation with NATO continued, and despite Russia's opposition, Estonian and Baltic membership in the military alliance in the early years of the twenty-first century remained a distinct possibility.

As noted above, the high point of Baltic cooperation in the recent past came in the waning years of the Soviet era when the need for solidarity against Moscow was most clear, especially in the perspective of the dismal record of the interwar years. After August 1991, however, Estonia, Latvia, and Lithuania showed a predictable post-communist tendency to assert their individual independence, and a number of factors impeded cooperation among the three countries. Although they may have appeared similar from
the outside, each country’s internal situation in the 1990s was quite different, e.g., the political balance of power and the economic policies each one followed. Furthermore, relations between the Baltic states became tense at times over rights to fishing grounds and oil deposits in the surrounding Baltic Sea, and trade disputes erupted from time to time despite an ostensible free trade agreement. Finally, the advanced countries of Scandinavia and the West were considerably more attractive as partners than the Baltic states’ own fledgling neighbours. On the other hand, the periodic verbal attacks from Moscow encouraged Baltic solidarity in foreign policy, and the three states showed the ability to work together in military matters, e.g., the establishment of the Baltic Battalion (Baltbat) in September 1994, a joint peacekeeping force under the tutelage of the Nordic countries, which saw service in the Balkans (Haab 10-11). In addition, in order to be acceptable as partners for integration into larger international organizations such as the EU or NATO, it behooved the Baltic states to show the West that they could cooperate in their own backyard. In the 1990s, the Nordic countries and their long experience with regional cooperation provided an important model for Estonia, Latvia, and Lithuania, and the Scandinavians also took a new-found interest in the independent Baltic states for security reasons, in contrast to their isolationist stance in the interwar era.

Economic Development

As in the political realm, Estonia also took the lead in the economic sphere as an innovator among former Soviet republics, introducing its own currency, the kroon (crown), already in June 1992. This bold step, taken against the advice of Western economic experts, permitted Estonia to escape the runaway inflation that continued to plague the “ruble zone.” During 1992-1994, the Laar government followed an aggressive free market policy, eliminating price controls and subsidies, and the recently reestablished Bank of Estonia kept a tight rein on the money supply. This approach helped tame inflation to an annual rate of 36 percent for 1993, placing Estonia second to Latvia (35 percent) among ex-Soviet republics, and the consumer price index continued to decline in the 1990s (Postimees 27 June 1994: 8, Eesti statistika aastaraamat 1999 220). A stable currency also created an attractive environment for foreign investment. In both 1994 and 1998, for example, Estonia ranked first among the post-communist states of Central and Eastern Europe with regard to direct foreign investment per capita and as a percentage of GDP, thanks in large part to its liberal economic policies. By far the leading investors in Estonia in the 1990s were neighbouring Finland and Sweden (Baltic Independent 21-27 July 1995: B2, Baltic Times 7-13 October 1999: 9, Eesti majandusülevaade 52).

As elsewhere in the post-communist countries of the former Soviet
Union and Eastern Europe, Estonia experienced a sharp economic downturn in the first half of the 1990s. The negative growth rate peaked in 1992, and the situation gradually improved over the next few years. Beginning in 1995 and for the rest of the decade, the Estonian economy showed vigorous growth except for a temporary downturn during the first half of 1999, occasioned in large part by the lingering impact of the Russian financial crisis of August 1998 (Raun 365, Eesti statistika aastaraamat 1999 352, Postimees 14 October 1999: 9, 7 December 1999: 13). The structure of Estonia’s economy underwent major changes in the transition from the Soviet system to market-oriented capitalism. Privatization was a massive undertaking, but proceeded quite smoothly at the enterprise level, following the successful East German Treuhand model. The situation was more complicated at the level of housing units, especially regarding the issue of rights of restored property owners and renters, whose interests tended to clash (Kein and Tali 140-68, Eesti majandusülevaade 44-50, Postimees 2 December 1999: 2). As in the previous independence period in the interwar era, the perspective on the economy became more Estonia-centered. For example, one of the leading industrial branches of the Soviet era, the fuel and energy sector, fell increasingly on hard times, mainly because it was no longer required to produce according to all-Union demands set by the command economy and in a free market oil shale was a very inefficient source of fuel. From a peak of over 31 million tons of oil shale mined in 1980, the total had declined to 22.5 million tons by 1990 before falling even more rapidly to about 10 million tons at the end of the 1990s (Statistika aastaraamat 1995 207, Helsingin Sanomat 30 November 1999: B6). One of the weakest links in the post-communist Estonian economy was agriculture in which production continued to fall throughout the 1990s. The factors that contributed to this situation included slow privatization of rural land, lack of access to capital, and the government’s liberal economic policies, which precluded subsidies or tariffs for the agricultural sector (Eesti majandusülevaade 147, Eesti Statistika no. 11 (1999): 16, Rahva Hääl 13 August 1994: 5).

Because of the speed with which economic reform was implemented, Estonia gained a distinctly positive reputation among various international agencies and observers as a leader in the post-communist economic transition. Nevertheless, the actual process of economic change was painful for much of Estonia’s population, and it substantially heightened inequality of income and wealth as well as social divisions. In 1998, for example, the average wage in the financial sector was 3.5 times higher than that for agriculture and hunting, and these figures also suggest the large gap that opened in the 1990s between the rural areas and the urban ones. At the same time, regional socioeconomic differences were growing, especially between the bustling capital city area around Tallinn and the economically less
dynamic parts of the country such as the southeast (*Eesti statistika aastaraamat 1999* 175-8). The generational gap in society also widened in the 1990s, particularly between young working people, who benefited the most from the new economic system, and the growing number of retired persons on relatively fixed incomes, who were hardest hit by rising free-market prices.

One of the most unfortunate legacies of Soviet rule was extensive environmental damage. The Soviet military had possession of 1,565 bases and other military installations in Estonia, amounting to nearly two percent of the country’s territory. Over half of these installations were in Harjumaa, the district around Tallinn. When the ex-Soviet troops withdrew in August 1994, they left a wide range of serious ecological problems, e.g., oil pollution at the Tapa air base and in the Paldiski harbour as well as rocket fuel pollution at a base in Keila-Joa. Fortunately, two small nuclear reactors used for training at the former Paldiski submarine base were dismantled and removed to Russia without incident by September 1995. The most dangerous environmental legacy of the Soviet era was an 80-acre pond that contained about eight million tons of radioactive waste, located just off the Gulf of Finland coast in the former closed city of Sillamäe where uranium was processed for the Soviet weapons program. Minor leakage into the Baltic Sea had been going on for years, but finally with the aid of the Nordic countries and the European Union, a six-year program to clean up and fill in the pond began in late 1999 (*Sõnumileht* 4 December 1996: 11, *Helsingin Sanomat* 12 November 1999: C4). In the oil-shale region the cutbacks in mining noted above gave the land a much needed respite, but the pervasive pollution from decades of rapacious economic activity still had to be dealt with.

Estonia’s rapid introduction of its own currency also fostered the diversification of foreign trade and allowed the country to move quickly away from dependence on Russia. In 1991, the republics of the Soviet Union (mainly Russia) took 94.0 percent of Estonia’s exports and were the source of 84.0 percent of its imports, but within a year these figures had declined to 34.7 percent and 40.1 percent, respectively. Already by the end of 1992, Finland had replaced Russia as Estonia’s leading commercial partner, and during the 1990s, a number of EU countries, especially Sweden and Germany, markedly increased their trade with Estonia, helping to reduce Russia’s share even further (in 1998, 13.3 percent of exports and 11.1 percent of imports). In 1998, Estonia’s main exports were machinery and mechanical appliances, wood and wood products, and textiles while its main imports consisted of machinery and mechanical appliances, vehicles, and base metals. Imports outpaced exports during the 1990s, and the resulting negative balance of payments became a worrisome trend (*Kala* 292, *Baltic Independent* 25 June-1 July 1993: B3, *Eesti statistika aastaraamat 1999* 207-17).
Demographic and Social Trends

Estonia’s first post-Soviet census was held at the end of March 2000, and all earlier population data for the 1990s must be seen as estimates and subject to revision. Nevertheless, the main demographic trends for the first post-communist decade were clear enough and can be summarized as follows. The estimated total population of Estonia peaked at 1,572,000 in 1990 and then gradually fell by some 126,000 to 1,446,000 in 1999, a decline of eight percent in less than a decade. Out-migration was the leading causal factor in this drop during the early 1990s, especially in 1992 and 1993 when over 47,000 persons emigrated from Estonia, but it slowed to a trickle by the end of the decade (just over 1,100 in 1998). However, by the second half of the 1990s, a negative natural increase, caused by a plummeting birth rate and a high death rate, became the more important determinant in the annual population loss. After ten years of continual decline, deepened no doubt by the economic uncertainties of the post-communist transition, the birth rate finally rose slightly in 1999. Nevertheless, the number of births in that year (12,545) was still only half of the figure for 1988 (25,060) (Eesti statistika aastaraamat 1999 33, 53, Statistika aastaraamat 1995 40, Postimees 21 January 2000: 3). The death rate remained high mainly because of an aging population whose older cohorts gradually became larger, but there were also indications that the delivery of health care, already inadequate during Soviet rule, suffered even more during the early transition years. Infant mortality rose in the early 1990s, and life expectancy fell by nearly three years between 1990 (69.7 years) and 1994 (66.9 years). However, the second half of the decade brought rapid improvement in both of these indices with life expectancy climbing to 70.4 years by 1997. Nearly all the demographic losses in the 1990s came from the urban areas, while the rural population remained stable. As a result, the level of urbanization declined from 71.6 percent in 1989 to an estimated 69.2 percent in 1998. Among the major cities, only Pärnu held its own; Tallinn, Tartu, Narva, and Kohtla-Järve all declined by about 10 percent or more in numbers in the 1990s (Eesti statistika aastaraamat 1999 43, 48, Eesti statistika aastaraamat 1998 54-5).

Hard data on the ethnic composition of the population are also lacking for the 1990s, but official estimates (in percentages) for the end of the decade suggest the following comparison with the 1989 census figures.

<table>
<thead>
<tr>
<th>Ethnic Group</th>
<th>1989</th>
<th>1999 (est.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Estonian</td>
<td>61.5</td>
<td>65.2</td>
</tr>
<tr>
<td>Russian</td>
<td>30.3</td>
<td>28.1</td>
</tr>
<tr>
<td>Ukrainian</td>
<td>3.1</td>
<td>2.5</td>
</tr>
<tr>
<td>Belorussian</td>
<td>1.8</td>
<td>1.5</td>
</tr>
<tr>
<td>Finnish</td>
<td>1.1</td>
<td>0.9</td>
</tr>
<tr>
<td>Other</td>
<td>2.2</td>
<td>1.8</td>
</tr>
</tbody>
</table>

The ethnic Estonian share gradually rose to over 65 percent despite a
negative natural increase that reduced the Estonian numbers from 963,000 in 1989 to about 943,000 in 1999. This development transpired because every other major nationality in Estonia (besides the Estonians) experienced a proportionately greater decline in numbers, mainly as a result of relatively high out-migration. For example, about 58,000 Russians emigrated from Estonia in the years 1990-1998 whereas the figure for Estonians was less than 1,300 (Eesti statistika aastaraamat 1999 33, 54). Thus, the Estonian population -- with the strongest sense of rootedness in its homeland -- generally resisted the permanent migratory trend, although many worked or studied abroad temporarily.

The key social question in post-communist Estonia involved the relations among the country’s various ethnic groups, especially its two largest nationalities -- the Estonians and the Russians, who together comprised about 93 percent of the total population at the end of the 1990s. The political watershed constituted by the reestablishment of the Republic of Estonia and the collapse of the Soviet Union had a contrasting impact on the two main ethnic groups. For the Estonians, the renewal of independence meant, first of all, the restoration of political and cultural hegemony in their homeland, a goal that -- although desirable -- had seemed remote to many only a few years earlier. It also permitted them to reassert their historical identity, especially in renewed public access to the initial independence era in the interwar years, and to eliminate the necessity, for the great majority, of living a dual existence -- a public Soviet one and a private Estonian one (Ruutsoo 177-8). For the Russians, the restoration of Estonian independence had an even greater impact, necessitating a full reassessment of their identity. The fall in status from hegemonic nationality in the Soviet empire to the position of a minority ethnic group in an independent Estonia was a powerful blow to the Russian self-image. The vast gap in identity between the two largest nationalities in Estonia was illustrated in a sociological survey, conducted in 1986, which found that fully 78 percent of the Russians identified themselves above all as “Soviets” (and only 15 percent as “ethnic Russians”) whereas 73 percent of the Estonians put an Estonian national identity as their first choice (Haav 76).

During the early 1990s, when large numbers of non-Estonians were emigrating from the country, many Estonian politicians assumed the ethnic problem might solve itself through mass exodus. As noted above, however, out-migration slowed to a trickle by the late 1990s, and it was clear that nearly all remaining non-Estonians were in Estonia to stay. In view of its continuing economic problems, the Russian Federation was not an attractive destination for potential emigrants, despite the family ties that existed in many cases. In the latter part of the decade, the Estonian authorities, and the ethnic Estonian community as a whole, increasingly recognized that a more viable modus vivendi with the non-Estonian population was needed. In place
of the chimera of mass emigration and the de facto segregation that existed between Estonians and Russians in Estonia in the Soviet era and into the 1990s, the government now turned to a policy of integration, i.e., the goal of a multicultural Estonia in which members of each ethnic group retained their cultural identity, but also acquired a civic identity based on a working knowledge of Estonian as the state language (Heidmets 264-72, Baltic Times 14-20 October 1999: 10). Assimilation, i.e., the cultural Estonianization of non-Estonians, was not an acceptable policy option, particularly for a country that sought to integrate with pan-European organizations that stressed the value of tolerance, although some absorption into the Estonian cultural world was taking place spontaneously.

Since fully 26.3 percent of Estonia’s population was foreign-born in 1989 (the highest proportion in Europe after Luxembourg), the goal of integration represented an enormous challenge and one toward which Estonia made limited progress during the 1990s (Katus 134). At the beginning of 1999, of the half million non-Estonians resident in the country, about 30 percent were citizens of Estonia, 20 percent were citizens of another state (overwhelmingly Russia), and the remaining 50 percent were stateless. Although the number of naturalized citizens increased considerably in the 1990s, the pace dropped sharply after 1996, and in opinion polls a large proportion of the stateless adults felt they could not cope with the language requirements of the citizenship test. The Estonian government did not have the resources to support large-scale language instruction for adults, and foreign aid for this purpose remained limited. Segregation by sources of information continued as most Russians and other non-Estonians obtained their knowledge of the world around them from the media of the Russian Federation, partly because very little beyond a few news programs in Russian was available on Estonian television (Estonian Human Development Report 40-3, Postimees 30 November 1999: 2, Helsingin Sanomat 27 September 1999: C1). The large proportion of citizens of Russia in Estonia was cause for concern, since they were least likely to have any interest in Estonian affairs, but many took this step primarily for pragmatic reasons in order to facilitate travel back and forth to Russia. In addition, there were important regional differences in ethnic composition, since the non-Estonians were concentrated in the urban areas and the industrial northeast, and these required a flexible and diversified policy. Under these circumstances, it was clear that integration would be a long-term process and one that would be more attractive to younger generations of non-Estonians than to older ones. Nevertheless, a Baltic or Estonian Russian identity, which traced its roots back several generations and included a knowledge of both Russian and Estonian, was a continually expanding phenomenon in the decade of the 1990s.

Post-communist Estonian society witnessed a transformed system of
stratification in which business executives, large property owners, high government officials, and young urbanites in general moved to the upper levels of the social pyramid. At the other end of the scale came much of the rural population, older workers, and retired persons. The Russian and other non-Estonian population, which in Soviet times had been employed in such fields as mining, energy, transportation, and large industry in general, found the economic transition difficult since these sectors experienced higher than average levels of unemployment (Helsingin Sanomat 15 May 1999: B7, Postimees 14 December 1999: 17, Pur 198). According to a Finnish study in 1999, the gender gap in wages in Estonia was substantial: on average, women earned 37 percent less than men. If anything, the Soviet era merely reinforced the traditional male dominance in Estonian society, and change was slow to come in the 1990s. It is noteworthy, however, that the number of women elected to the Riigikogu rose to eighteen in 1999 (compared to twelve each in 1992 and 1995), although only a few women served as ministers in the post-communist governments (Postimees 2 November 1999: 2, 9 March 1999: 4; Toomla 160-64).

Cultural Issues

One of the most debated questions in the 1990s was the future of Estonian identity and a specifically Estonian-language culture. Various observers expressed concern about the fate of the Estonian language in a globalizing world in which English had become the overwhelmingly dominant means of communication. Whereas ideological pressures and censorship had hindered the development of Estonian culture in Soviet times, now the real danger was seen as coming from the leveling impact of a commercialized and international mass culture. Moreover, the values associated with a wide-open free market economy did not seem conducive to encouraging commitment to an expressly Estonian national identity. As Estonia became a candidate for membership in the European Union in 1997, the debate took on more concrete form. Some saw a clear threat to the Estonian language and culture from European integration while others pointed to the experience of Finland and Sweden (EU members since 1995) and suggested that national and European identities could coexist and even support each other (Sirp 26 November 1999: 2, Postimees 24 January 2000: 16, 3 July 1999: 7).

The issue of reform in education, the discussion of which began in earnest during the glasnost' years, remained at the center of public attention during the 1990s. Clearly, the goal was to provide quality elementary and secondary education throughout the country and move away from the heavy-handed pedagogical approach of the Soviet era. However, a number of obstacles stood in the way of rapid transformation. The fledgling Estonian
state did not have the resources for a substantial financial injection into the educational system, and teachers' salaries remained low, making it difficult to attract a new generation of able educators. Regional differences also grew in the 1990s, especially between urban and rural schools. Educational institutions in the countryside were unable to compete with the cities for the best teachers, and an increasing number of small rural schools faced closure or consolidation because of the declining number of children (Postimees 13 December 1999: 5, Metsa 10).

At all levels of education, one of the key issues was language of instruction. The enhanced prestige and status of Estonian, as the state language of an independent Estonia, could be seen in the gradually growing proportion of pupils entering first grade who chose Estonian as the language of instruction. This figure increased from 59.4 percent in 1990-1991 to 78.1 percent in 1998-1999. Perhaps the most hotly debated educational topic was the issue of the proposed transition to Estonian as the sole language of instruction in the upper grades (10-12) of all state-supported high schools. In 1993, the Riigikogu passed an educational law that foresaw such a transition in the year 2000, but in 1997, in large part because of the continuing limited command of Estonian among non-Estonian pupils, the date was postponed until 2007. Nevertheless, the debate continued. Proponents saw the step as a means to speed up the integration of non-Estonian youth while opponents criticized it as premature and coercive (Postimees 2 September 1999: 3, 19 January 2000: 13). In any case, private high schools with Russian as the language of instruction would still be permitted, and teaching at the elementary and middle school levels in state-supported institutions would continue in Estonian, Russian, and other languages.

In higher education, Tartu University recaptured much of its former status as the leading institution of higher learning, and the Estonian Academy of Sciences was transformed into a small, elite body of scholars that no longer administered a wide range of research institutes or offered graduate degrees. Nevertheless, Tartu University faced growing competition from a plethora of new institutions, including a large number of private universities and professional schools. In 1998, the number of institutions of higher learning had mushroomed to thirty-seven with 29,301 students (compared to six institutions and 25,899 students in 1990), although nearly 60 percent of them attended either Tartu University or the Tallinn Technical University. In terms of research, the natural sciences in Estonia were in a more favourable position than the humanities and social sciences since the former had been less subject to ideological controls and less isolated from international scholarship during the Soviet period, but in the post-communist era all fields faced the same problem of reduced funding. Tartu University and other Estonian institutions of higher learning also had to reconcile the
Toivo U. Raun
desire for strong scholarship and instruction in the native tongue with the
growing need to participate in an international network of scholars and
teachers. At Tartu, for example, the proportion of lectures in languages other
than Estonian grew throughout the 1990s, and although 81 percent of the
Master’s theses were presented in Estonian (with 14 percent in English and
4 percent in Russian) in the years 1991-1999, 81 percent of the doctoral
dissertations were written in English (with 11 percent in Estonian and seven
percent in Russian) (Eesti statistika aastaraamat 1999 76-7, Postimees 22

In contrast to the Soviet period when the proportion of Estonian-
language publications in the Estonian SSR showed a strong downward trend,
the printed word in Estonian rebounded in the 1990s. Between 1990 and
1998, the total annual number of titles of books and brochures in Estonian
more than doubled from 1,080 to 2,558, and the Estonian-language share of
all titles published in Estonia jumped from 66 to 83 percent. However, with
the emergence of a free market, the cost of books and other publications
escalated, making them considerably less affordable for most people.
Similarly, access to cultural events such as the theatre and concerts became
more restricted because of rising ticket prices. For example, theatre
attendance fell dramatically in the early part of the 1990s before beginning
a slow recovery in the middle of the decade. Nevertheless, in 1998, only 542
persons per 1,000 inhabitants attended the ten main theatres in Estonia
compared to a figure of 791 in 1990 (Eesti statistika aastaraamat 1999 93-
4).

During the post-communist transition, Estonian practitioners of
belletristic literature faced many of the same dilemmas as the population as
a whole, especially how to make ends meet. Gone were the large editions
and substantial honoraria of the Soviet era, and nearly all writers had to find
a stable source of income, most typically work as a journalist, to support
their literary efforts. However, through taxes on alcohol, tobacco, and
gambling, the government established the Estonian Cultural Capital (Eesti
Kultuurkapital) which aided writers with individual grants and literary prizes
and provided subsidies for literary events and conferences. By means of
translations, some Estonian authors reached a larger international audience.
These included, above all, Jaan Kross, the dean of Estonian writers who
continued his prolific output in the 1990s and who was nominated for the
Nobel Prize in Literature several times, but also the poet and essayist Jaan
Kaplinski and perhaps the most critically acclaimed author of the younger
generation, Tõnu Õnnepalu (also known as Emil Tode, b. 1962). In the
1990s, Õnnepalu published two well-received postmodernist novels, Piiririik
(The Border State) and Hind (The Price) (Arter 22 January 2000: 5, Talvet
307-12).

The Lutheran religious revival that began during the glasnost’ era
peaked already at the start of the 1990s, and during the following decade interest in the church gradually declined. In 1995, membership in the largest churches was estimated as follows: Lutherans -- 185,000, Orthodox -- 30,000, Old Believers -- 10,000, and Evangelical Christians and Baptists -- 6,500. A striking feature of the phenomenon of religion in post-communist Estonia was its pluralism. By the early 1990s, nearly fifty religious movements, both Christian and non-Christian, had appeared on the scene, although the great majority remained small in numbers. More important in a practical sense was the establishment in 1989 of the Council of Estonian Churches, which included all major Christian denominations, promoted ecumenical cooperation, and sought to further the interests of these churches in society as a whole (Vaba Eestlane 6 June 1996: 9, Sõnumileht 13 January 1997: 13, Leppik, 52-7, Kurg 115-16). In the mid-1990s, a major controversy erupted over the issue of external ties of the Orthodox Church in Estonia, i.e., whether it should declare allegiance to Constantinople (as in the interwar era) or to Moscow (as in the decades of Soviet rule). The matter was finally resolved by allowing each Orthodox congregation in Estonia to choose its own allegiance.

A balance sheet for the 1990s suggests that following the restoration of independence Estonia was able to establish an effective political and economic system in which the strengths clearly outweighed the weaknesses, although the latter remained cause for concern. On the one hand, the speed of the initial political transition, the smooth functioning of democratic procedures -- especially the holding of regular and fair elections, and the avoidance of violence in the political process all helped to place Estonia among the more successful post-communist states. On the other hand, the fragmentation of political forces in the Riigikogu, resulting in continuing parliamentary weakness, and widespread voter alienation, as illustrated by declining participation in national elections, pointed to problem areas that needed resolution. Estonia’s rapid liberalization of the economy led to strong macroeconomic performance by the second half of the decade, but the wide-open system also heightened economic inequality and social divisions. In domestic life, the most lasting legacy of the Soviet era -- the drastically changed ethnic composition of the country -- militated against any quick solution to the challenge of social and political integration. Nevertheless, the Russian and other non-Estonian population did participate in the political process, above all on the local level where non-citizens were already granted the franchise by the Constitution of 1992, but also increasingly on the national level as the citizenship rolls gradually expanded in the 1990s. Critics rightly argued that more could have been done to speed up the process of integration, but generational differences among non-Estonians also played a role, as suggested by opinion polls which showed that older cohorts found adaptation to an independent Estonia more difficult than
younger ones. Above all, Estonia's record of non-violence in ethnic relations in the late 1980s and the 1990s augured well for the future.

As in the interwar era, there was no easy solution to the country's security dilemma. Relations with Russia remained chilly throughout the 1990s, although the final withdrawal of ex-Soviet troops in 1994 constituted a major turning point and progress was made on the difficult border issue. However, Russia claimed the right of advocacy for Estonia's Russophone (i.e., ethnic Russian and other Russian-speaking) population, a pretension that Estonian governments rejected, and continued to link the improvement of relations to this issue. Estonia was perceived as part of Russia's "near abroad," i.e., its desired sphere of influence, although there were also indications that the priority assigned to Estonia and the other two Baltic states in Russian foreign policy was declining.

At the same time, Estonia's main initiatives toward integration with the West, application to the European Union and NATO, did not yet reach fruition in the 1990s. In both organizations reluctance with regard to expansion became more visible by the end of the decade, as some members balked at the prospect of admitting a large number of fledgling candidate states. Nevertheless, the outlook for Estonia at the close of the twentieth century, in a highly interconnected Europe and world, appeared considerably more favourable than in the 1930s when it stood virtually isolated and alone.

Notes

1. This article will appear in a slightly different form as the new concluding chapter in an updated 2nd edition of my *Estonia and the Estonians* (Stanford, Calif.: Hoover Institution Press, 2001).


4. The residency requirement was dropped before the October 1999 local elections, making it easier for non-citizens to vote.

5. The final tabulations from the March 2000 census will be available in 2001 and 2002. The initial results were controversial since the overall count was over 4 percent less than previous official estimates (*Eesti Statistika* no. 6 (2000): 5; *Postimees* 25 July 2000: 2, 26 July 2000: 13).
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