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## Sigma Public Management Profiles No. 12

# Estonia

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**S**IGMA

**Support for Improvement in Governance and  
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**PUBLIC MANAGEMENT PROFILES OF  
CENTRAL AND EASTERN EUROPEAN COUNTRIES:**

**ESTONIA**

## ESTONIA

(AS OF OCTOBER 1999)

### Political Background

Estonia regained its independence on 20 August 1991. Since then, there have been three elections to the parliament and two elections to the office of the president of the republic. During this period, nine changes of government have also taken place.

The president of Estonia is Lennart Meri. He was elected to his second term in office in September 1996.

The third elections to the *Riigikogu* – the parliament of Estonia – took place on 7 March 1999. Seven parties achieved representation in the *Riigikogu*, with seats allocated as listed in the table below:

Party	Seats
Estonian Centre Party	28
Reform Party	18
Pro Patria Union	18
Mõõdukad Party	17
Estonian Country People's Party	7
Estonian Coalition Party	7
Estonian United People's Party	6

The coalition government was formed by the Reform Party, the Pro Patria Union and the Mõõdukad Party, and is headed by Prime Minister Mart Laar. The next ordinary elections of the *Riigikogu* are scheduled for March 2003.

### 1. The Constitutional Framework

#### 1.1 Constitutional Bases

Estonia is a constitutional democracy with a written constitution. The Constitution of the Republic of Estonia and its implementation Act were adopted by referendum on 28 June 1992 and entered into force the following day. Since its adoption, no amendments have been made to the constitution. English versions of the constitution and many other laws and regulations are available on Internet at the following address: <http://www.legaltext.ee>

(Estonian Translation and Legislative Support Centre).

The constitution establishes the principle of legal continuity of the Republic of Estonia, which was proclaimed independent on 24 February 1918, occupied by the Soviet Union on 17 June 1940 and subsequently annexed thereto on 6 August 1940. The constitution reflects the idea of legal restoration, which served as a basis for the return to independence and liberation from the Soviet Union on 21 August 1991.

The *Riigikogu* has recently begun to consider the results of a review carried out by the government expert committee on constitutional revision. The committee's proposals, if adopted, would not alter the basic principles of the constitution but would reinforce the parliamentary and constitutional system of government. The most important proposals are the establishment of a separate constitutional court, reinforcement of civil control over the defence forces, and attribution of the powers of an ombudsman to the legal chancellor.

Moreover, amendments may have to be made in view of the accession of Estonia to the European Union; these amendments touch upon a basic principle of the constitution, the principle of sovereignty.

## **1.2 Nature of the State**

Estonia is a unitary and sovereign democratic republic, where the supreme power of state is vested in the people.

The preamble to the constitution declares that the state is founded on the general principles of liberty, justice and law. These principles provide the basis for the state in pursuing its declarative goals to protect the peace, promote the general welfare and guarantee the preservation of the Estonian nation and culture.

In addition, the constitution contains two other important principles, namely the rule of law, and the separation and balance of powers that should be followed when organising the activities of parliament, the president, the government, and the courts.

## **1.3 Division of Power**

The division of power follows the principle of a parliamentary system of government.

The *Riigikogu*, the parliament of Estonia, consists of one chamber. The 101 members of the *Riigikogu* are elected for a four-year term. The main responsibilities of the *Riigikogu* are to:

- adopt laws and regulations;
- elect the president of the republic;
- authorise the prime ministerial candidate to form the government of the republic;
- decide on the expression of no confidence to the government of the republic, prime minister or individual ministers;
- adopt the state budget and approve the report on its implementation;
- appoint several higher public officials;
- present statements, declarations and appeals.

The president of the republic is elected by the *Riigikogu* for a five-year term. If the *Riigikogu* fails to elect the president after three rounds of voting, an electoral body consisting of members of the *Riigikogu* and representatives of local government councils will elect the president. The main responsibilities of the president are to:

- represent Estonia in international relations;
- issue decrees in urgent matters of national interests when the *Riigikogu* is unable to convene and initiate amendments to the constitution (see 2.4);
- proclaim laws and sign ratification instruments;
- designate a prime ministerial candidate and appoint and release from office members of government;
- make appointment proposals or appoint certain higher public officials;
- act as the supreme commander of the Estonian national defence;
- present proposals to the *Riigikogu* on declarations of a state of war, state of emergency, and on orders of mobilisation and demobilisation.

The government of the republic is appointed by the president upon a proposal of the prime minister. The president designates a candidate for prime minister, who must obtain the authorisation of the *Riigikogu*. The main responsibilities of the government are to:

- execute the domestic and foreign policy of the state;
- direct and co-ordinate the work of government institutions;
- administer the implementation of acts adopted by the *Riigikogu* and legislation adopted by the president;
- prepare draft laws and draft state budget;
- issue orders and regulations for implementation in accordance with the law.

There is no elected regional government, but the county governor, who is appointed to office for a term of five years by the government on the proposal of the prime minister, does need to have the agreement of the local government representatives of the county. The main responsibilities of the governor are to:

- represent the interests of the state in the county and ensure the comprehensive and balanced development of the county;
- co-ordinate the co-operation of regional offices of ministries and other agencies of executive power and local governments in the county;
- inform the government and local governments on regional policy and other issues concerning relations between executive power and local governments;
- exercise supervision over the legality of legislation adopted by local governments of the county and over the use of state assets in the control of local governments of the county.

Estonia has a single-level local government. The representative body of a local government is the council, elected for a three-year term by persons permanently residing in the territory of the local authority. All local issues are managed and resolved autonomously by local authorities. Local authorities have an independent budget. State tasks may be imposed on local authorities only pursuant to law or under an agreement with them. State tasks imposed on a local government must be funded from the state budget.

The main competencies of local governments are connected with education, health care, public transportation, community services, culture and sports.

## **2. Legislative Authority**

### **2.1 Electoral Rules**

The members of the *Riigikogu* are elected in free elections by secret ballot for a four-year period, according to the principle of proportionality. The right to vote is held by any Estonian citizen who is at least 18 years' old and who has not been declared legally incapable by the court. The right to be elected is held by any Estonian citizen who is at least 21 years' old and has the right to vote.

Estonia is divided into 11 multi-member electoral districts. The seats are distributed among electoral districts in proportion to the number of citizens who have the right to vote. Members of parliament are elected under lists nominated by a political party. Also an independent candidate may be nominated by any Estonian citizen who has the right to vote, including by any person who wishes to run as a candidate in the elections.

To allocate parliamentary seats, Estonia uses a version of proportional representation based on "open" lists, in which voters choose between individual candidates, the majority of whom belong to a party list. In the first round of counting, candidates attaining or exceeding the "simple quota" of the electoral district are elected. In the second round of counting, seats are awarded to candidate lists receiving more than a threshold of 5 per cent of national votes. On party lists in electoral districts, candidates are ranked according to the number of votes they have personally received. The list receives a seat for every simple quota of votes obtained in that electoral district. Candidates from the top of the lists who have received a number of votes equal to at least 10 per cent of the simple quota are elected. In the third round of counting, all seats left open are distributed among those national lists of parties that have obtained the national threshold of 5 per cent, according to the d'Hondt allocation formula.

### **2.2 Main Powers of Parliament**

According to the constitution, the main responsibilities of the *Riigikogu* are to:

- adopt laws, resolutions and the state budget and ratify and denounce international treaties;
- elect the president of the republic;
- authorise the prime ministerial candidate to form the government of the republic;
- decide on an expression of no confidence in the government, the prime minister, or an individual minister;
- declare, on the proposal of the president of the republic, the state of war, order mobilisation and demobilisation;
- appoint several higher public officials;
- present statements declarations and appeals.

The *Riigikogu* also has the right to ask the prime minister, individual ministers, the Chairman of the Board of the Bank of Estonia, the President of the Bank of Estonia, the Auditor-General, the Legal Chancellor,

and the Commander of the Defence Forces to report on their work, *inter alia* on the implementation of legislation.

The *Riigikogu* has two ordinary sessions: from the middle of January to the middle of June and from the middle of September to the middle of December.

### 2.3 *Internal Organisation*

The work of the *Riigikogu* is managed by the board of the *Riigikogu*, which consists of the chairman and two deputy chairmen, elected from among its members for a one-year term.

The main work on draft legislation is carried out in committees. The Estonian *Riigikogu* has ten permanent committees:

- Constitutional
- Cultural Affairs
- Economic Affairs
- Environmental
- Finance
- Foreign Affairs
- Legal Affairs
- National Defence
- Rural Affairs
- Social Affairs

All of these committees are influential in their field of activity. However, the constitutional committee and the committees on economic affairs, finance, and legal affairs are the most influential due to the horizontal nature of their spheres of activity.

In order to solve tasks of a temporary or specific character, the *Riigikogu* may also form ad hoc and select committees. At present, there are four such committees:

- European Affairs Committee
- Investigation Committee on Ascertaining the Circumstances of the Bankruptcy of *Maapank* and Ensuring the Impartiality of Bankruptcy Proceedings
- Select Committee on the Application of the Anti-Corruption Act
- Select Committee on the Supervision of the Lawfulness of the Activities and Investigation Operations of the Security Police

The number of places for each parliamentary group (faction) in the committees is determined by the board of the *Riigikogu*. The factions choose their own representatives in the committees. A member of the *Riigikogu* belongs to one standing committee and may be a deputy member in another permanent committee.

A parliamentary group may be formed by at least five members of the *Riigikogu*, elected from the same party list. Any member of the *Riigikogu* may belong to only one parliamentary group at a time. Currently, there are seven parliamentary groups in the *Riigikogu*:

- Pro Patria Union faction

- Estonian Centre Party faction
- Estonian Coalition Party faction
- Estonian Country People's Party faction
- Mõõdukad faction
- Reform Party faction
- Estonian United People's Party faction

The most influential parliamentary groups are the largest coalition and opposition factions, currently the Reform Party Faction, consisting of 18 members, and the Estonian Centre Party Faction, consisting of 28 members. The smallest, the Estonian United People's Party Faction, has six members.

The *Riigikogu* Chancellery supports the work of the board, members, committees and factions of the *Riigikogu*. It assists the *Riigikogu* in preparing draft legislation by providing necessary legal advice and obtaining economic, sociological and other information required. The draft legal acts are edited and given their final form in the Chancellery. The Chancellery also informs the public of activities of the *Riigikogu* and manages the state assets belonging to the *Riigikogu*.

Currently the Chancellery of the *Riigikogu* employs about 220 officials and it consists of nine departments (administrative service, documentation, elections, foreign relations, information systems and technology, legal, economic and social information, personnel, press and information) and the secretariat. The work of the Chancellery is directed by the secretary-general of the Chancellery, who is appointed by the board of the *Riigikogu* after open competition.

#### **2.4      *The Legislative Process***

An Act may be initiated by:

- any member of the *Riigikogu*;
- any committee of the *Riigikogu*;
- any faction of the *Riigikogu*;
- the government of the republic.

A draft legal Act accompanied by an explanatory note is introduced into the *Riigikogu* through the chairman of the particular session of the *Riigikogu*. The board of the *Riigikogu* nominates one of its permanent committees as the leading committee, which will propose to the board to start the procedure or will justify a decision not to proceed. If a legal Act is initiated by the *Riigikogu*, the leading committee will send the draft to the government for an opinion of a non-binding character.

The *Riigikogu* commonly has two readings for the draft Act procedure. Only budget legislation and constitutional amendments need three readings. A draft may also be sent for a third reading upon the decision of the initiator of the Act, the leading committee or the *Riigikogu*.

During the first reading, the *Riigikogu* will listen to the report of the initiator of the Act concerning the need for, and contents of, the law and that of the representative of the leading committee with regard to the committee's opinion. Members of the *Riigikogu* may ask two oral and an unlimited number of written questions. After the first reading, the leading committee informs the *Riigikogu* of the date up to which amendments to the draft Act can be proposed.

Between two readings, the leading committee will examine all proposals for amendments. Government members may participate in and speak at meetings of the leading committee. Representatives of state bodies or local authorities may be asked to participate in the meetings. For the second reading, the leading

committee will present the new version of the draft, together with a list of amendments and the opinions of the leading committee and the initiator of the draft Act on each submitted amendment proposal.

During the second reading, the *Riigikogu* will again listen to the report of the initiator of the Act and that of the leading committee representative, who will also explain the work accomplished between readings and comment on proposed amendments. Each member of the *Riigikogu* has the possibility of presenting his/her opinion either as a comment or as a speech. Then all amendment proposals are reviewed. If, after the vote on proposed amendments, there are no proposals to interrupt the second reading of the draft Act, or to send it for a third reading, the drafted Act will be voted on as a whole.

During the third reading, amendment proposals may be made only by factions of the *Riigikogu* or by its permanent committees.

A law is adopted by simple majority, except for certain laws defined in the constitution (e.g. the Citizenship Act and the State Budget Act) that require the support of at least 51 members of the *Riigikogu*. An Act enters into force on the tenth day after its publication in the state gazette, *Riigi Teataja*, unless another date is provided in the Act itself.

Acts passed by the *Riigikogu* will be sent to the president for proclamation. The president may refuse to proclaim an Act passed by the *Riigikogu* and return it to the *Riigikogu*, with justification, for a new debate and decision. If the *Riigikogu* passes the unamended Act again, the president will either proclaim it or propose that the Supreme Court declare it unconstitutional. If the Supreme Court declares the Act constitutional, the president will proclaim it.

From the beginning of its work in March 1995 until the end of its work in March 1999, the last (VIII) *Riigikogu* adopted 754 legal Acts (also including Acts for making changes in existing laws), of which 467 were initiated by the government.

In a state of emergency, if the *Riigikogu* is unable to convene, the president of the republic may issue decrees which have the status of law. These decrees should bear the counter-signatures of the chairman of the *Riigikogu* and the prime minister. In these cases, as soon as the *Riigikogu* convenes, the president presents the decrees for prompt adoption of laws that confirm or repeal the decrees. No amendment proposals may be made by the *Riigikogu*. A decree is proceeded and voted on during a single session.

### **3. The Central Executive**

#### ***3.1 Legal Bases of Executive Authority and Administration***

The organisation of the central executive is regulated by the Government of the Republic Act (*Riigi Teataja* I 1995, 94, 1628), which has been in force since 1 January 1996. The Act contains provisions regarding the structure of the cabinet of ministers, the powers of the prime minister and individual ministers, the system of government agencies, ministries, specialised executive agencies and state regional authorities. Under the Government of the Republic Act, every ministry and specialised executive agency has a by-law to regulate its internal structure.

The organisation of local government is regulated by the Local Government Act (*Riigi Teataja* I 1993, 37, 558), which has been in force since 1993 and is currently under revision. The Act determines the functions, responsibilities and organisation of local government, its council, government, head of the government and its agencies, as well as mutual relations between local governments and between local governments and the central government.

Public employment in Estonia is regulated by the Government of the Republic Act, the Public Service Act (*Riigi Teataja* I 1995, 16, 228) and the State Public Servant Official Title and Salary Scale Act (*Riigi Teataja* I 1995, 16, 228), as well as by many executive regulations. These Acts regulate the rights and duties of public servants, their recruitment, evaluation, and the salary scale for different grades of employment.

### **3.2      *Composition and Powers of the Government (Council of Ministers)***

The government is comprised of the prime minister and up to 14 ministers. Among the ministers there may be up to two ministers who do not direct ministries and whose functions are determined by the prime minister; such as currently the minister of regional affairs and the minister of demographic affairs. A minister may also direct two ministries.

The secretary of state, the legal chancellor and the auditor-general, in matters within their competence, may also participate, with the right to speak, in sessions of the government. The prime minister may invite additional persons to a government session and give them the opportunity to speak.

The government of the republic and ministers are appointed by the president. The candidate for prime minister is designated by the president. In order to form a government, the prime minister must have the authorisation of the *Riigikogu*. Changes in the composition of the government are made by the president, upon a proposal from the prime minister.

The office of a minister terminates in the following cases:

- upon his/her resignation;
- by a resolution of the president, proposed by the prime minister;
- by an expression of no confidence in the minister by the *Riigikogu*;
- upon the resignation of the government;
- upon entry into force of a conviction by the court against the minister;
- upon his/her death.

The government resigns in the following cases:

- formation of a new *Riigikogu*;
- resignation or death of the prime minister;
- expression of no confidence in the government or the prime minister by the *Riigikogu*.

### **3.3      *Division of Executive Power***

Executive power rests with the government, which exercises that power directly or through government agencies.

The government:

- implements domestic and foreign policies;
- directs and co-ordinates the work of government institutions;
- organises the enforcement of legislation;
- submits to the *Riigikogu* draft Acts and foreign treaties for ratification or denunciation;
- prepares a draft state budget and presents it to the *Riigikogu*, administers the implementation of the state budget, and presents to the *Riigikogu* a report on the implementation of the state budget;
- issues secondary legislation, i.e. orders and regulations for implementation, in accordance with the law;
- declares a “state of emergency” throughout the country, or in parts thereof, in the event of a natural disaster or catastrophe in order to, *inter alia*, impede the spread of infectious diseases;
- performs other tasks which have been placed within its authority by the constitution and the law.

The government decides on issues at government sessions, which are held every Tuesday. Cabinet meetings, i.e. unofficial meetings of the members of government for discussing general policy issues and important draft legislation, are held after the official sessions. Members of government also meet at government coalition meetings or in meetings specially convened by the prime minister.

The prime minister represents the government and directs its work. He/she chairs government sessions, signs legislation adopted by the government, demands from a minister explanations concerning his/her activities, issues orders to resolve individual matters on bases provided by law, makes proposals to the president to change the membership of the government, and performs other functions assigned to him/her by law.

A minister heads a ministry, decides on issues within the jurisdiction of the ministry, unless not assigned by law to other persons, issues orders and directives on the basis of, and for the enforcement of, the law, and prepares the draft annual budget for the ministry.

Government agencies are financed from the state budget and their main function is to exercise executive power. Government agencies include the ministries, the State Chancellery and county governments, as well as executive agencies and inspectorates, and their regional offices with authority to exercise executive power. Government agencies may also administer state agencies, whose principal function is to provide services to government agencies or to perform other state functions, mainly in cultural, educational and social areas.

Three government agencies – the State Prosecutor’s Office, the Estonian Privatisation Agency and the National Archives – are established by special law.

Government agencies are accountable to government or to a corresponding minister, who directs and co-ordinates their activities.

### **3.4      *The Office of the Government/Office of the Head of Government***

The State Chancellery is a government agency whose function is to provide support and services to government, the prime minister and those ministers who do not head ministries. Other important tasks are

publishing the *Riigi Teataja*, managing the national archiving, co-ordinating state information systems, co-ordinating the training and evaluation of public officials, and maintaining the reserve of public officials.

The State Chancellery is headed by the secretary of state, who is appointed and released from office by order of the prime minister. He/she must have completed higher education in law. A change of government is not a valid reason for the release of the secretary of state from office.

The secretary of state is responsible for the preparation of the agenda of government meetings, the preparation and recording of minutes of government sessions, and the conformity of government legislation to the law and all formal requirements.

As the head of the State Chancellery, the secretary of state participates, with the right to speak, in government sessions; countersigns legislation and minutes of government sessions; ensures the communication and publication of government decisions; holds the state seal; provides an opinion regarding the appointment and release from office of a secretary-general of a ministry or a county secretary. The secretary of state is accountable to the government and to the prime minister.

The director-general of the State Chancellery substitutes for the secretary of state in the case of his/her absence; directs the work of the structural units of the State Chancellery; co-ordinates the work of agencies administered by the State Chancellery; and manages the State Chancellery's operations, budget implementation, and use of personnel. The structural units of the State Chancellery are departments and offices, of which the most important are the Office of the Prime Minister, the Office of the Co-ordination Director, the Government Press Office and the Office for European Integration. Approximately 150 officials are employed by the State Chancellery.

The State Chancellery's role is primarily one of administrative and apolitical support of political functions. However, the Office of the Prime Minister, which consists of advisers to the prime minister, provides political advice to the prime minister.

### **3.5**      *Line Ministries*

There are 12 ministries established for the policy development and implementation of different areas of government in Estonia. Under the Government of the Republic Act, these ministries are:

- Agriculture
- Culture
- Defence
- Economic Affairs
- Education
- Environment
- Finance
- Foreign Affairs
- Internal Affairs
- Justice
- Social Affairs

- Transport and Communications

A ministry is a superior body of executive agencies, inspectorates, and other state agencies within its area of government.

A ministry is divided into departments, pursuant to its by-laws. A ministerial department may include divisions and offices specified in the departmental by-laws. A typical Estonian ministry consists of approximately six to twelve departments and fewer than 140 staff.

Each ministry has a secretary-general, who is responsible for directing the work of the structural units of the ministry, co-ordinating the activities of state agencies within the jurisdiction of the ministry, and preparing the draft annual budget of the ministry. A secretary-general is appointed and released from office by the government on a proposal of the minister, taking into account the opinion of the secretary of state.

The ministerial staff may also include deputy secretary-generals. They are appointed and released from office by the minister on a proposal of the secretary-general. Heads of departments are appointed by the minister upon a proposal of the secretary-general.

A minister may also appoint advisors or form advisory committees, specifying their functions and subordination. These committees often work as policy-making support structures for a minister. A minister usually has one to three political advisors.

### **3.6 *Interministerial Co-ordination***

The Government of the Republic Act prescribes that a minister must consult with other ministries if an issue within his responsibility may have impact on other ministries. If an issue falls within the responsibility of several ministries, it shall be resolved by the government.

Ministers meet at least three times a week: in government sessions, weekly meetings with the representatives of the coalition in the parliament, and regular unofficial “cabinet meetings” held to discuss general policy issues and to review the most important draft legislation before it is officially submitted. The prime minister may also convene additional coalition meetings. A minister, secretary-general or deputy secretary-general may also convene a meeting at which other ministers or officials from other ministries participate, as required.

Secretary-generals of ministries also meet regularly to discuss the formal and legal aspects of items placed on the agenda of a government meeting, as well as the coherence of a proposed policy with policies worked out by other ministries. The secretary of state chairs these meetings. Draft regulations and orders must be checked by all ministries concerned. If the draft legislation affects the interests of local government, national associations of local governments must review the draft legislation before its presentation to the government of the republic.

The government of the republic may also establish both ministerial and interministerial committees. Members of ministerial committees are ministers and the secretary of state; members of interministerial committees are ministers and officials of government agencies. When a committee is established, the government specifies its functions, financing, servicing and procedures for presenting its results.

### **3.7 Central Non-Ministerial Bodies**

In addition to the State Chancellery, ministries and county governments, there are currently 24 executive agencies and 14 inspectorates in Estonia. Executive agencies and inspectorates operate within the area of responsibility of a given ministry. They both exercise state supervision and enforce powers of the state on the bases of, and to the extent prescribed by, law. These functions are the primary responsibilities of inspectorates, whereas executive agencies also have a directing function.

The by-laws of an executive agency, an inspectorate and their regional offices are approved by the respective minister, who also approves, amends, and controls the implementation of their budgets. Executive agencies and inspectorates are directed by a director-general, who is appointed to and released from office by the minister on the proposal of the Competition and Evaluation Committee of Higher State Public Servants.

There are three public agencies established by special law: the State Prosecutor's Office, the Estonian Privatisation Agency and the National Archives.

### **3.8 Executive Budgeting Processes**

Estonia has an organic state budget law according to which the Ministry of Finance is responsible for the preparation of draft budgets for national revenue and expenditure. The current budget is based mainly on the State Budget Act of 1992. A new budget Act was passed in the *Riigikogu* on 9 June 1999, of which two chapters ("State Budget Drafting and Submission to *Riigikogu*" and "Proceeding in *Riigikogu*") have already come into force; other chapters will be enforced as from 1 January 2000.

The regular budget-making process involves the following steps:

1. The Ministry of Finance draws up the macroeconomic forecast, informs of intended changes in the budget structure for the next budget year, and sets expenditure limits and guidelines for line ministries. All ministries are responsible for preparing draft budgets within their areas of responsibility. Limits of expenditure are determined, considering the tasks of each ministry and the financial forecasts for the next year. The preparation of the budget usually begins in March of the previous year.
2. Ministerial draft budgets are submitted to the Ministry of Finance, together with a three-year development plan and an investment plan. The Ministry of Finance and the line ministries review the draft budget proposal together and draw up a negotiation protocol on agreements and differences of opinion regarding budget allocations. The Ministry of Finance then compiles the comprehensive budget draft for line ministries. While drafting the comprehensive budget proposal, the Ministry of Finance can revoke earlier agreements, informing line ministries accordingly. Line ministries may protest against such decisions, and then a bilateral reconciliation process is initiated. If no agreement is reached between the line minister and the Minister of Finance, the reconciliation process will continue in the Cabinet.
3. After Cabinet reconciliation, the Ministry of Finance compiles the final budget draft for the Cabinet. The Cabinet may introduce further amendments in the course of its proceedings. Any disagreements over budget allocations concerning other constitutional authorities (Parliament, President's Office, State Audit Office, Legal Chancellor and Supreme Court) will be included in the explanatory letter.

4. The Cabinet introduces the draft state budget to the *Riigikogu* no later than three months before the beginning of the new fiscal year. The *Riigikogu* examines the draft state budget in three readings. The state budget adopted by the *Riigikogu* enters into force as from the beginning of the new fiscal year, i.e. 1<sup>st</sup> of January. If the *Riigikogu* has not adopted the state budget within two months from the beginning of the budget year, the president of the republic shall declare special elections of the *Riigikogu*.

### **3.9 *Advisory and Consultative Arrangements***

The government of the republic may form expert committees, whose members are appointed from among officials and, where necessary, persons outside the national public service, e.g. academics, experts and representatives of the private sphere.

As mentioned earlier, a minister may also appoint advisors or form advisory committees, specifying their functions and subordination. These committees often work as policy-making support structures for a minister. Usually a minister has one to three political advisors.

The government holds regular meetings with representatives of employers' associations, trade unions, agricultural producers' associations and local governments to agree on major decisions in the respective policy areas. The current government has signed an agreement with major business associations concerning the exchange of information and consultation before any major decisions are taken in the respective policy areas.

## **4. *Executive Linkages***

### **4.1 *The Executive and the Presidency***

The main executive functions of the president of the republic are to:

- represent the Republic of Estonia in international relations;
- appoint and recall diplomatic representatives of the Republic of Estonia, on the proposal of the government, and receive the credentials of diplomatic representatives accredited to Estonia;
- designate the candidate for prime minister;
- appoint and recall members of the government on the proposal of the prime minister;
- make proposals to the *Riigikogu* for appointments of certain senior public officials, including the state auditor, chairman of the board of the Bank of Estonia, and commander of the defence forces;
- act as supreme commander of the Estonian national defence.

The president has weekly meetings with the prime minister. Moreover, a representative of the Office of the President participates in the meetings of the government in order to keep the president informed of government matters.

The president exercises his/her powers through the Office of the President, which currently consists of five departments (Domestic Affairs Department, Foreign Affairs Department, Legal Department, Administrative Department and Protocol Department) and the secretariat. The work of the office is directed by the secretary-general. Currently the Office of the President has a staff of about 40.

The president administers the activities of the President's Round Table on Minority Issues. The president also administers and appoints members to the President's Academic Council, currently consisting of 17 scientific and cultural personalities. The function of the Academic Council is to make recommendations to the president on long-term strategic objectives in the domains of the economy, society, culture, education, research and national security of the Republic of Estonia.

#### **4.2      *The Executive and Parliament***

The government's only instrument for directly influencing the agenda of the *Riigikogu* is binding the adoption of a bill it introduces to the *Riigikogu* to the issue of confidence. Indirectly, the government can influence the legislative timetable of the *Riigikogu* through the parliamentary coalition.

The *Riigikogu*'s main means of controlling the activities of the executive is through both written and oral enquiries. A member of the *Riigikogu* may make enquiries to the government and its members, which must be answered at a session of the *Riigikogu* within 20 session days. In order to address issues of a temporary or specific character, the *Riigikogu* may establish ad hoc or special committees that can also serve as a means of controlling the activities of the executive.

The *Riigikogu* has the right, on the basis of a resolution adopted by a majority of its members, to propose to the government to initiate a draft considered important by the *Riigikogu*. Finally, the *Riigikogu* may express no confidence in the government, the prime minister or a minister through a resolution adopted by the majority of its members. The issue of no confidence must be initiated by at least one-fifth of the members of the *Riigikogu*.

#### **4.3      *The Executive and Political Parties***

Items placed (or to be placed) on the agenda of the government may also be discussed with ministers at the meetings of the government coalition or political parties belonging to the government.

The main law governing the funding and expenditures of political parties is the Political Parties Act (*Riigi Teataja* I 1994, 40, 654), which was passed in May 1994. According to this law, state and local government authorities, agencies and enterprises have no right to finance a political party or local unit of a political party. Similarly, political parties have no right to receive any funds from public institutions of foreign states. Political parties are obliged, if they receive financing from other foreign sources, to inform within one week the administrator of the Register of Non-Profit Associations and Foundations. However, a political party represented in the *Riigikogu* has the right to receive an allocation from the state budget in proportion to the number of seats held in the *Riigikogu*. Political parties should, within one month after elections, submit to the Estonian National Electoral Committee their expenditure report on elections to the *Riigikogu* and to the Local Government Council.

#### **4.4      *The Executive and Organised Civil Society***

The government has contacts with representatives of employers, employees, agricultural producers, local government unions and important non-governmental institutions in all other fields to prepare and agree on major decisions in respective policy areas.

In addition to the mechanisms for consultation with trade unions presented in section 3.9 above, Estonia has also adopted a Non-Profit Associations Act (*Riigi Teataja* I 1996, 42, 811) and a Foundations Act

(*Riigi Teataja* I 1995, 92, 1604), which determine the concepts and principles for launching, managing, controlling and terminating the activities of non-profit associations and foundations.

#### **4.5      *The Executive and the Media***

The Government Press Office is located in the State Chancellery. Its main functions are the administration of relations of the government, the prime minister and the State Chancellery with the public; co-ordination of the work of press offices of government and executive agencies; and dissemination of official information on government activities and government meetings to the news media. Each ministry has a press secretary, who is authorised to communicate to the mass media information on the ministry's activities and to express the views of the minister. Electronic mail and fax are the most frequently used communication tools.

The joint Website address of all Estonian public institutions is <http://www.riik.ee>. From this address there are links to the Websites of the government, *Riigikogu*, ministries, county governments, local governments, etc. The Website of the government contains information on the current and former composition of the government, the government programme, the coalition programme, work plans and their implementation, and main legal Acts.

### **5.          Subnational Government**

#### **5.1      *Decentralised State Administration***

County governments are state administrative units at the regional level. Currently, there are 15 counties in Estonia, although a reduction in number is under discussion.

The county governor is responsible for representing the interests of the state in the county and ensuring the comprehensive and balanced development of the county; directing the work of the county government; co-ordinating the co-operation of regional offices of ministries, other agencies of executive power and local governments in the county; informing the government and local governments on regional policy; and exercising supervision over the legality of legislation adopted by local governments of the county and over the use of state assets controlled by local governments of the county.

The county governor heads the county government, which consists of the county government office and departments. A typical county government consists of 9 to 11 departments and is staffed with about 100 persons.

The county governor is appointed for a five-year term by the government on the proposal of the prime minister and the approval of the local government. However, if a second proposed candidate also fails to obtain the agreement of the local government, the government may appoint a person who has not previously been a candidate. The county governor may not hold any other state office.

The Department of Local Government and Regional Development in the Ministry of Internal Affairs is responsible for the general co-ordination and organisation of the county governors' work.

## **5.2 Regional Government**

There is no regional self-government system in Estonia.

From 1989 to 1992 Estonia had a two-level local government system, where the regional self-government was formed by 15 counties and six independent cities. In 1992, after the adoption of the constitution, the second level of local government was reorganised into regional units of central government.

## **5.3 Local Government**

Local self-government was restored with the local council elections in 1989. Towns and rural municipalities were established as local authorities. A local council may also establish within its territory a town district or rural municipality as a local authority under the direction of a district elder, but with limited rights.

There are 253 local authorities, 47 towns, and 206 rural municipalities in Estonia. The smallest local authority is the Ruhnu municipality with 63 inhabitants, and the largest is Tallinn, with about 440 000 inhabitants; the average population of a local authority is between 1000 and 3000 inhabitants. However, there is an intensive debate going on about decreasing the number of local government units as well as reviewing their functions and main principles of financing.

For purposes of protecting joint interests and fulfilling joint tasks, municipalities and towns can work together or establish associations of local governments. Currently, there are 16 regional and three national associations of local governments in Estonia. National associations have a significant role in policy development and in the decision-making process concerning local government and the annual budget of the National Support Fund.

According to the constitution, all local issues are managed and resolved autonomously by local authorities. Local authorities have an independent budget. Duties may be imposed on local authorities only pursuant to the law or through an agreement with them, and expenditures related to state duties which are imposed on a local government must be funded from the state budget.

The organs of local government are as follows:

- The representative body of a local authority is the council, members of which are elected for a three-year term by persons permanently residing within the territory of the local authorities. Only Estonian citizens may stand as candidates for local council elections. The council is headed by the chairman.
- The executive body of a local authority is set up and managed by the mayor or the head, who is elected by the local council for a three-year term.

The local government budget procedure is provided in the Municipal and Town Budget Act, Local Taxes Act and the Act on Correlation between Municipal and Town Budgets and the State Budget. The biggest share of local government revenue comes from shared state taxes. Currently, local governments receive 56 per cent of individual income tax, 100 per cent of land tax, and different portions of natural resources taxes. According to the Local Taxes Act, local governments may also impose nine types of local taxes and their taxation limits, e.g. local income tax, local sales tax and boat tax. Other sources of local government revenue are loans, revenues from municipal property, and economic activities.

A large portion of local government revenues are transfers from the National Support Fund to cover the gap between expenditure needs and actual income in most local governments, and to balance structural differences.

In 1998, the composition of local government revenues was as follows: 52.9 per cent from state taxes; 14.1 per cent from the National Support Fund; 9.5 per cent from central government's earmarked grants; 7.8 per cent from loans; 5.7 per cent from property; 3.4 per cent from economic activities; 0.8 per cent from local taxes; and 5.8 per cent from other sources.

The current government's policy encourages the voluntary merging of local governments up until the year 2002, when the state will take action to reduce the number of local authorities. Another policy issue is local government borrowing, which in the past has led several municipalities to the edge of bankruptcy.

## **6. Personnel Management**

### **6.1 *Legal Bases and Principles of the Public Service***

Estonian public employment is regulated by a legal framework, which entered into force on 1 January 1996. It consists of the Public Service Act, the Government of the Republic Act, and the State Public Servant Official Title and Salary Scale Act. The Public Service Act and the Salary Scale Act regulate the rights and duties of public servants, their recruitment and evaluation, and the salary scale for different grades of employment. Under the Public Service Act, public service is defined as employment in a central or local government administrative agency. An administrative agency is an agency financed from the state budget or from a local government budget, and whose function is to exercise public authority. Public servants are divided into officials, support staff and non-staff public servants. The State Public Servant Official Title and Salary Scale Act distinguishes public servants further, thus dividing officials into categories of higher, senior and junior officials.

### **6.2 *Personnel Management***

Personnel management is decentralised in the Estonian public administration. Every ministry and executive agency is responsible for recruiting, evaluating and organising the work of its officials within the legal framework. Estonia has an open recruitment system, with compulsory competitive hiring at the higher level. Top civil servants (deputy secretary-generals of ministries, heads of departments of ministries, and director-generals of executive agencies) are appointed, evaluated and promoted centrally through the Competition and Evaluation Committee of Higher State Public Servants headed by the secretary of state. All other officials are evaluated by the competition and evaluation committees of the ministry or executive agency concerned.

The State Chancellery is responsible for co-ordination of the training and performance appraisal of state officials and local government officials. According to the Adults' Schooling Act, public institutions must earmark 2 to 4 per cent of their payroll for training. The Estonian Institute of Public Administration, under the authority of the State Chancellery, is a public training institution for public servants, but the training market is also open to all private companies.

The State Public Servant Official Title and Salary Scale Act establishes uniform titles of officials and support staff positions, and a uniform salary scale in state administrative agencies. Officials and support staff positions are divided into categories according to the basic requirements set for employment in the service. The salary scale runs from 1 to 35, with a secretary-general, county governor, public prosecutor,

and director-general of the State Chancellery at the top, and an operator of equipment and an unskilled worker at the bottom of the grade scale.

## **7. Administrative Oversight and Control**

### **7.1 Internal Oversight and Control**

In Estonia, internal control of the administration is organised by means of hierarchical subordination. The government monitors the legality and purposefulness of the activities of ministries, the State Chancellery and county governments. Each minister monitors the legality and purposefulness of the activities of the structural units of his/her ministry and its officials, and of other state agencies administered by the ministry. Director-generals of executive agencies and inspectorates of all ministries exercise supervisory control over the activities of regional offices of the executive agency or inspectorate, and of their officials. The secretary of state exercises supervisory control over the legal instruments and acts of officials of the State Chancellery and of the agencies administered by the State Chancellery. All county governors exercises supervisory control over the legal instruments and acts of officials of the county government and of state agencies administered by the county government. Any person exercising supervisory control may:

- issue a precept for the elimination of deficiencies in a legal document or Act;
- suspend the enforcement of an Act or the validity of a legal instrument;
- repeal a legal instrument.

Financial probity within state agencies rests mainly with bookkeeping departments of the agencies themselves. However, different departments of the Ministry of Finance play an important role in consolidating and analysing relevant information on the financial activities of government institutions.

Currently, internal auditing systems are being introduced in all public sector institutions.

There is no freedom of information Act, although under article 44 of the constitution, all state agencies, local governments, and their officials have the duty to provide information about their activities, except for information the disclosure of which is prohibited by law, and for information intended exclusively for internal use. This duty is to be specified by a special law. Several versions of a freedom of information Act have been drafted to date, but none has gained enough support to be enacted.

The laws related to freedom of information are:

- Constitution of the Republic of Estonia, in particular article 42
- National Secrets Act (*Riigi Teataja* I 1997, 81, 1361)
- Act on Answering to Proposals

According to the Anti-Corruption Act, all government officials must disclose any economic interests to their agency heads. The highest officials, including the president and members of the *Riigikogu* and of the government, must make their economic interests public.

The laws related to the disclosure of interest are:

- Public Service Act
- Anti-Corruption Act

## 7.2 *External Audit and Control*

The State Audit Office is the supreme audit institution. It reports to parliament and is responsible for auditing the entire public sector. However, its relationship with local authorities is currently under intensive debate.

The State Audit Office has a distinct primary function, which is to audit the implementation of the state budget. In addition, it often audits various aspects of economic activities of the public administration beyond budget constraints. It audits the economic activities of state institutions, state-owned enterprises and other state organisations; the use and preservation of state assets; the use and control of state assets transferred to local governments; and the economic activities of enterprises where the state holds more than 50 per cent of the votes determined by shares, or whose loans or contractual obligations are guaranteed by the state. Performance audit is being introduced.

The State Audit Office is an independent audit institution headed by the auditor-general, who is appointed and released from office by the *Riigikogu* on a proposal of the president. The term of office of the auditor-general is five years. The auditor-general may participate in government meetings, with the right to speak on issues related to his duties. The law provides for the organisation, specific duties and rights of the State Audit Office. Currently, the State Audit Office consists of three departments and has about 100 staff members.

Local governments are accountable externally in three ways. First, county governors may exercise supervision over the legality of the activities of local governments and also over the legality and purposefulness of the use of state assets. Secondly, the State Audit Office audits the use and disposal of state assets that have been transferred to the control of local governments. Thirdly, the legal chancellor reviews the conformity of local government legislation with the constitution and the law. In addition, the Local Government Act also requires local representative councils to set up an audit committee to audit the administration. Currently there is no external body which audits both the annual financial statements and the activities of local governments as a whole.

## 7.3 *Public Redress*

Every citizen has several possibilities to challenge unlawful or unjust administrative decisions or activities. A citizen may appeal to:

- the head of the responsible state or local government agency;
- the members or committees of the *Riigikogu* or local government council;
- the administrative courts;
- the legal chancellor, but only if the legislation of the executive does not conform with the constitution or the law.

It is not determined in which order these institutions have to be approached, although a citizen usually applies first to the head of the responsible agency rather than to the administrative court.

The main task of the Estonian legal chancellor is to review the conformity of legislation of the legislative and executive branches and of local governments with the constitution and the law. In 1999, the legal chancellor was given an additional task, which has a certain similarity to classical ombudsman functions.

The legal chancellor is appointed by the *Riigikogu* on the proposal of the president for a seven-year term, and is responsible to the *Riigikogu*. The legal chancellor can participate, with the right to speak, in the

sessions of the *Riigikogu* and in the meetings of the government. There are currently about 25 staff members in the office of the legal chancellor.

If the legal chancellor finds that legislation adopted by the legislative or executive branches or by local governments is in conflict with the constitution or any law, he/she makes a proposal to the body which had adopted the legislation to bring the legislation into conformity with the constitution or the law. If this is not done, the legal chancellor proposes to the Supreme Court the repeal of the legislation.

In addition to the review of legislation, the legal chancellor also controls the activities of state agencies, mainly upon complaints from the public concerning infringement of basic rights and liberties. The legal chancellor has no power to execute his proposals, but he/she can make these proposals public.

The Estonian court system consists of:

- county and city courts, and administrative courts
- district courts
- the Supreme Court

County and city courts, as well administrative courts, are courts of first instance. Administrative courts are the only specialised courts in Estonia. Every person whose rights and freedoms are violated has the right of recourse to the courts.

Administrative courts issue judgement on:

- complaints about legislation and activities of institutions of executive state power, local governments and electoral committees;
- disputes over administrative agreements;
- cases of administrative offences.

To date there are only two separately established administrative courts in Estonia — in Tallinn and Tartu. In all other regions, administrative matters are dealt with by special administrative judges of county and city courts. Under the new Administrative Court Procedures Act of 1999, a reform of the administrative court system is foreseen. According to this law, by 2001 administrative courts will be created in all regions.

In 1998, the courts of first instance received 1549 administrative cases for examination. Altogether, 975 decisions were made – 605 complaints were satisfied and 370 remained unsatisfied.

District courts are courts of appeal reviewing judgements of the courts of first instance. There are three district courts in Estonia, of which one, located in Tallinn, deals with administrative matters. In 1998 it reviewed 562 administrative judgements.

The Supreme Court is the highest court in the state, and it reviews court judgements by way of the last instance appeal procedure. The Supreme Court is also the court of constitutional review. It consists of 17 judges divided into four chambers:

- Criminal Chamber
- Civil Chamber
- Administrative Law Chamber
- Constitutional Review Chamber

The Constitutional Review Chamber is composed of the president of the Supreme Court *ex officio* and four members elected by the Supreme Court *en banc* on the proposal of the president of the Supreme Court. All chambers must be represented by at least one member.

In 1998 the Administrative Law Chamber examined 42 administrative cases.

The president of the Supreme Court is appointed by the *Riigikogu* on the proposal of the president of the republic. Judges of the Supreme Court are appointed by the *Riigikogu* on a proposal of the president of the Supreme Court. Other judges are appointed to office by the president of the republic on a proposal of the Supreme Court. Judges are appointed for life.

## **8. Administering European Integration**

### **8.1 *The Institutional Framework of EU-Related Policy-Making***

Integration policies are discussed, set and presented to the government by a committee of ministers. The committee comprises the prime minister as the chair, key ministers and the secretary of state. The committee also discusses questions related to the implementation of the Europe Agreement and all other topics related to the integration of Estonia into the EU. The committee meets on an ad hoc basis.

The process of European integration is mainly co-ordinated by the Council of Senior Civil Servants (CSCS), which consists of representatives at the senior civil servant level of those ministries involved in the process of integration with the EU (i.e. all ministries, with the exception of the Ministry of Defence) and of the Bank of Estonia. Representatives of the European Affairs Committee of the *Riigikogu* (a civil servant), the Office of the President, and the Legal Translation Centre may attend these meetings in the capacity of observers. The CSCS is responsible for elaborating and implementing policies with regard to the EU. It draws up the National Programme for the Adoption of the *Acquis* (NPAA) and presents it to the government for adoption. It also prepares meetings and draft decisions for the committee of ministers. In addition, it ensures a co-ordinated interministerial approach in the fields of integration with the EU (including EU-related training, technical assistance, etc.). The council meets fortnightly (or more often on ad hoc basis, when necessary). The CSCS is chaired by the head of the Office for European Integration (OEI).

The Office for European Integration is a permanent working secretariat serving the Council of Senior Civil Servants. The OEI prepares analyses for the prime minister with regard to integration with the EU and acts as a “watchdog” in terms of harmonizing Estonian legislation, by keeping track of progress using an extensive database. Its tasks also include providing regular comments on EU-related draft legal Acts which are on the agenda of the weekly government meetings. The OEI also co-ordinates needs for technical assistance and EU-related training. Administratively the OEI is within the jurisdiction of the State Chancellery. The office currently employs 14 persons.

In order to better organise the information on European integration for the general public, the European Union Information Secretariat has been created at the State Chancellery. Among other tasks, the secretariat issues various publications, organises seminars, and co-ordinates a number of local information points throughout the country. The secretariat currently employs four persons.

In addition to the above-mentioned institutions, Estonia established an ad hoc parliamentary committee on European affairs in January 1997. A similar committee was recreated after the last parliamentary elections in March 1999. The committee co-operates closely with the government in the integration process, while

also developing relations with the European Parliament and other EU institutions. One of the committee's main tasks is to inform the public regarding the process of EU integration.

## **8.2      *Managing the Approximation of Laws***

The actual approximation of laws is carried out by the ministries responsible for the field concerned; the ministries are also responsible for compliance with the *acquis*. The timetable for legislative approximation was outlined in the National Programme for the Adoption of the *Acquis*. Adopted in March 1999, the NPAA lays out detailed plans for the year 1999 and a more indicative schedule up until 2003. Adherence to the timetable is supervised by the Office for European Integration. Compliance of the national legislation elaborated by the ministries with the existing Estonian legislation and with EC law is monitored by the Ministry of Justice. In order to facilitate the process, every draft Bill is accompanied by a memorandum explaining its compliance with EC law.

## **8.3      *Implementing the Acquis Communautaire***

Steps to upgrade administrative capacity in order to be able to implement the *acquis communautaire* have been outlined in the National Programme for the Adoption of the *Acquis*. The implementation of the *acquis* has been a major rationale for the reform of the Estonian public administration.

In addition, intensive training of civil servants responsible for implementation of the *acquis* is continuously taking place.

## **9.        *Plans for Reform and Modernisation***

The current government has adopted a decentralised but centrally co-ordinated approach to public administration reform.

Political leadership is provided by the Public Administration Reform Committee, which was established in the summer of 1999. The committee is chaired by the prime minister and consists of the ministers of finance, justice, and internal affairs, the secretary of state, the auditor-general and a representative of the government coalition in the *Riigikogu*.

The committee has established the Public Administration Reform Advisory Council, whose role is to advise the committee, propose new ideas, give its opinion on proposals presented by the committee's working groups, and serve as general liaison with the public. The membership of the advisory board includes several prominent persons from the private, public and non-profit sectors and from academia.

The committee, advisory board and committee's working groups are supported by the Office of Public Administration within the State Chancellery. The main tasks of the office are to collect and analyse information concerning public administration, co-ordinate all activities in the area of public administration reform, assist other government agencies on issues of public administration reform, and co-ordinate foreign aid connected with public administration reform.

As part of their everyday work, several state agencies are engaged in various aspects of public administration reform. The Ministry of Finance is responsible for the development of the structure of the central government and for the overall financial and salary systems; the Ministry of Internal Affairs is responsible for the development of regional and local governments; the Ministry of Justice is responsible

for the development of administrative law; and the State Chancellery is responsible for the development of civil service training, performance appraisal and state information systems.

As this leadership structure has just been set up, no concrete reform proposals have yet been made. However, the main themes of reform are connected with:

- decreasing the role of the state through privatisation and contracting out;
- increasing the co-operation between, and reducing the number of, local governments in order to increase the capacity to perform their tasks;
- rearranging the public administration system at county level;
- increasing the policy-making competence of the central government;
- improving the quality of the civil service.

## 10. Key Statistics

### 10.1. Budgetary Data<sup>1</sup>

#### REAL REVENUE BY SOURCE IN 1998 (in thousands of EEK)

<i>Source of revenue</i>	<b>Revenue</b>
Taxes	13 973 961
Personal income tax	2 761 611
Corporate profit tax	1 914 119
Value-added tax	6 413 360
Excise tax	2 787 234
Other taxes	97 638
State levies	350 976
Mixed revenues (fines, revenue from supplying goods and services, etc.)	355 838
Revenue from property	364 716
Revenue from finances	104 980
<b>TOTAL REVENUE</b>	<b>15 287 818</b>

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<sup>1</sup> Contains only data on revenues and expenditures of the central government.

**REAL EXPENDITURE BY INSTITUTIONS IN 1998**  
(in thousands of EEK)

Institution	Expenditure
<i>Riigikogu</i>	113 079.4
Office of the President of the Republic	20 156.5
State Audit Office	15 029.7
Office of Legal Chancellor	4 740.3
Supreme Court	15 547.4
State Chancellery	182 654.1
Ministry of Education	2 652 551.5
Ministry of Justice	595 287.5
Ministry of Defence	841 894.7
Ministry of the Environment	375 704.0
Ministry of Culture	786 753.0
Ministry of Economic Affairs	203 311.9
Ministry of Agriculture	554 674.4
Ministry of Finance	643 049.7
Ministry of Internal Affairs	1 763 288.3
Ministry of Social Affairs	2 580 071.6
Ministry of Transport and Communications	1 463 200.9
Ministry of Foreign Affairs	290 767.6
Other costs (interest payments, reserve fund of the government, etc.)	1 306 930.6
<b>TOTAL EXPENDITURE</b>	<b>15 499 757.0</b>

*Source: Ministry of Finance, 1999*

## 10.2 Personnel Statistics<sup>2</sup>

Ministry	Higher Officials	Senior Officials	Junior Officials	Support Staff	Total
Ministry of Education	29	68	8	15	120
Ministry of Justice	52	62	14	13	141
Ministry of Defence	35	50	3	3	91
Ministry of the Environment	43	58	5	1	107
Ministry of Culture	29	15	4	3	51
Ministry of Economic Affairs	45	83	6	28	162
Ministry of Agriculture	38	80	3	4	125
Ministry of Finance	90	214	4	6	314
Ministry of Internal Affairs	33	56	5	14	108
Ministry of Social Affairs	38	92	6	8	144
Ministry of Transportation and Communication	34	34	6	3	77
Ministry of Foreign Affairs	122	200	58	72	452
<b>TOTAL</b>	<b>588</b>	<b>1 012</b>	<b>122</b>	<b>170</b>	<b>1 892</b>

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<sup>2</sup> According to the Estonian Public Service Act, public servants are divided into officials, support staff and non-staff public servants. The State Public Servant Official Title and Salary Scale Act further divides officials into higher, senior and junior officials.

<b>Ministry</b>	<b>Higher Officials</b>	<b>Senior Officials</b>	<b>Junior Officials</b>	<b>Support Staff</b>	<b>Total</b>
Ministry of Education	34	79	11	16	140
Ministry of Justice	276	1459	1540	403	3678
Ministry of Defence	35	170	44	278	527
Ministry of the Environment	140	456	21	87	704
Ministry of Culture	35	48	5	3	91
Ministry of Economic Affairs	121	225	25	45	416
Ministry of Agriculture	90	362	24	32	508
Ministry of Finance	446	1 942	698	153	3 239
Ministry of Internal Affairs	619	4 164	2557	732	8 072
Ministry of Social Affairs	214	976	273	267	1 729
Ministry of Transportation and Communication	124	207	73	155	559
Ministry of Foreign Affairs	122	200	58	72	452
<b>TOTAL</b>	<b>2 256</b>	<b>10 288</b>	<b>5 329</b>	<b>2 243</b>	<b>20 115</b>

<b>Other Constitutional Institution</b>	<b>Higher Officials</b>	<b>Senior Officials</b>	<b>Junior Officials</b>	<b>Support Staff</b>	<b>Total</b>
State Chancellery	79	49	19	81	<b>228</b>
Office of the <i>Riigikogu</i>	89	81	51	21	<b>242</b>
Office of the President	19	12	8	14	<b>53</b>
Office of the Legal Chancellor	13	3	2	2	<b>20</b>
State Audit Office	17	55	8	3	<b>83</b>
Supreme Court	15	23	6	8	<b>52</b>
<b>TOTAL</b>	<b>232</b>	<b>223</b>	<b>94</b>	<b>129</b>	<b>533</b>

	<b>Higher Officials</b>	<b>Senior Officials</b>	<b>Junior Officials</b>	<b>Support Staff</b>	<b>Total</b>
<i>County Governments (total)</i>	<b>323</b>	<b>623</b>	<b>137</b>	<b>223</b>	<b>1 306</b>

Source: State Chancellery, 1999