

Estonian Foreign Policy Decision-Making

Rick Spencer

In the period between Estonia's independence declaration in 1991 and 2004, Estonian foreign policy decision-making was dominated by efforts to meet requirements for full EU and NATO membership. After EU membership was granted, modern foreign policy commitments began to transition into those of the broader projects of its supranational patrons. Speeches by foreign policymakers of the time mention terrorism, global trade, wars in the Middle East, Russia and global economic conditions.¹ Additionally Estonia hails itself as an exemplar of rapid transition from authoritarian satellite state, to European partner.² They also market their experience digitizing almost all of Estonian government administrative services to other countries interested in modernizing their bureaucracy. For many, Estonia's unprecedented deployment of technology may seem like a gimmick or a distraction from domestic issues, but for them it is part of a survival strategy that is based on collective security.

Estonia's most troubling internal issue, ethnonationalism, and its greatest success, the digitization of government, are more intertwined than one might imagine. The e-citizen program allows anyone around the world to become an “e-Stonian” and start a business, trade or bank under Estonian tax laws, and yet there are approximately 90,000 stateless ethnic Russians because of a language-proficiency and ancestry criteria that target Soviet-era immigrants and their descendants.³ Fear of a repeat of the 2007 siege of their state by Russian-sponsored hackers has resulted in Estonian “data embassies,” whereby essential government data is encrypted, and distributed to locations outside their borders for redundancy, as well as Estonian becoming a global leader in cybersecurity strategy.⁴

¹ See (Ojuland, 2004),(Mikser, 2018), (Mikser, 2017), and (Kaljulaid, 2018).

² (Made 2011)

³ (Sahajpal, Kondan, and Trimbach 2018)

⁴ (Schnurer 2015)

Estonia, because of its location, size and history, depends on EU unity and the Western-backed order for its survival. The full accession to the EU in 2004 was arguably the completion of a very focused transformative era for them, after which one might expect some slight surge in nationalism, but no such surge has appeared, largely because of Russia's economic recovery and the neighborhood trouble that came with it. They are a border state in the physical and cyber domains, and their foreign policy decision-makers work to guarantee Estonia's survival by in the classical liberal model: by working through international institutions, global governance to create collective security and collective prosperity through shared values with as many entities as possible at the state and sub-state level.

It is no surprise that geography continues to be a defining factor in Estonia's foreign policy decision-making process. Jüri Luik, Estonia's Foreign Minister in 1994 describe their location as "...between the Devil and the deep Blue Sea."⁵ What is surprising is how they have addressed this dilemma.

At forty-five thousand kilometers, Estonia is the northern-most of the Baltic states. There are more than 1500 islands off-shore in the Baltic Sea and Gulf of Finland to the north.⁶ Ethnic Russians, many here descendants of the Old Believers who migrated here long prior during the reign of Peter the Great, live in the east along the Narva river and in small religious communities along lake Peipus.⁷ The entire eastern border, which passes through lake Peipus is shared with Russia. South of the Baltic region is another valuable Russian territory: Kaliningrad. Estonian land is boggy, cool, and heavily forested. Just over one-fifth of the land is arable, but agriculture is a negligible portion of the economy.⁸

Estonia's geography and small size means that their territorial integrity depends on collective security, international agreements and a robust export-based economy. Location and territory largely determined a 2014 wargaming estimation by RAND which imagined a Russian invasion of the Baltics. In repeated scenarios, Russian forces, opposed by NATO (with one week's warning), were able to capture Tallinn and/or Riga in 60 hours.⁹ This outcome would be no surprise to locals, nor to the Estonian government.

⁵ (Smith 2003)

⁶ (Central Intelligence Agency 2018)

⁷ (Miljan 2015)

⁸ (Central Intelligence Agency 2018)

⁹ (Shlapak and Johnson 2016)

Europeanization

Estonia's major foreign policy project has been a three-phase "Europeanization." that required both industrious foreign outreach, but also the creation of administrative government functions, physical and IT infrastructure. The influence of early leaders, the post-Soviet initial conditions created a rare opportunity for them to experiment with a technologically forward design for their bureaucracy that has given them enormous advantages.

One of the more challenging political issues for Estonia, particularly in the earliest years figuring out how to join the western values-based international community while so many of the standing population had deep bitterness towards the Russian population. In a 2004 analysis of Estonia's 1990s-era efforts to join the European community, David Smith lays out a three-phases of activity that they passed through in that difficult decade. The first of which was securing as much international recognition as possible and as quickly as possible. As noted earlier, Estonia was already working on creating the diplomatic and domestic conditions for admission into the UN, NATO and other organizations that would legitimize them. The second condition was the removal of Soviet occupying military forces. In fall of 1994, the troops went home, and the third phase, focused on aligning Estonian foreign policy with European models began. Smith notes that for Estonians, anything that wasn't Soviet, or was anti-Soviet/anti-Russian was pro-Western, but Europeanization wasn't that straightforward. Expecting to leverage a doctrine called "legal continuity," Estonia created a citizenship law that eliminated citizenship for 30% of the population, by claiming that all post-World War II immigrants and their descendants would need to apply for citizenship. The requirement for Estonian language proficiency simply meant that people who had moved or been moved by the Soviet apparatus to a satellite state to work, were now stateless, and would remain so for years to come. One of the EU's conditions for membership were the 1993 'Copenhagen criteria' on minority rights.¹⁰ While the first two criteria for this return to Europe were completed in the first two or three years of independence, the third phase, EU inclusion would not be met until 2004.

The legacy of disenfranchisement and neglect of the Russian population, and the efforts to de-Sovietize the state, or more importantly to hyper-Westernize have been a source of consternation for Russia ever since. Estonia came into the international awareness as one of the first serious victims of Russian cyber warfare, or broadly Russian pro-Slavic "gray zone" interference in 2007. Without recounting the entire tale here of the Bronze Soldier incident,

¹⁰ (Smith 2003)

Russia's successful siege on Estonian e-government, as well as the vandalism and looting that Russia financed during the riots have led the government to become a NATO cyber-warfare training and innovation hub. They have built a distributed, encrypted system of data-stores around the country to prevent another siege-event that shut the government down for a few days in 2007. As well they are partnering with Finland in an experiment to distribute internationally, encrypted versions of secure, essential government records. This is the equivalent of having your money insured by international partners.¹¹ If one bank vault is raided or seized, other banks can verify that you have funds eligible. Russia's international harassment of foreign governments may have come to American attention in the last year or two, but it has been happening to European governments like France, Estonia, Macedonia, and obviously Ukraine, for the last ten. The Baltics, all have reason to take every action they can afford to create relationships, institutional or otherwise that create mutualistic defense, trade, culture ties where they can. They simply cannot go it alone. They do not want to be seen as Eastern Europe, or Post-Soviet, but as proper Europe, and truly a global player. International linkage, through absurdly easy pro-business incentives—a primary goal of the e-residency program—are almost certainly extensions of their export-dependent trade posture and their legitimate territorial and sovereignty insecurities.

The “Copenhagen Criteria” include respect for minorities. Estonia's citizenship law requires Estonian language proficiency, which is not something the Soviets expected of the Russian population that emigrated to Estonian after World War II. When the law came into effect in 1995 it immediately reduced the country's citizen population by 40%, overwhelmingly targeting the ethnic Russian population.¹² The law is still in place as of 2018, and 78,406 ethnic Russians remain stateless.¹³ The law represents one of the most flagrant hallmarks of systematic and institutionalized ethnonationalism that irritates both Europe and provides Russian hardliners and loyalists hybrid operations

Estonia declared independence in 1918 in the wake of crumbling German and Russian empires, but instability across the continent prevented consolidation. Estonians were terrorized by Nazis and the Bolsheviks, until the Molotov-Ribbentrop pact would situate Estonia firmly behind a rising red curtain.¹⁴ Their independence movement remained frozen for fifty years. Ethnic antipathies between the Finnic Nords in Estonia and the Russian Slavs would inform Estonia's second independence movement in the 1990s.

¹¹ (Heller 2017)

¹² (Riigikantselei and Justiitsministeerium 1995)

¹³ (Vahtla 2019)

¹⁴ (Meri 1991)

According to the Ministry of Foreign Affairs, 1990 was spent rebuilding internal institutions as part of preparation for diplomatic outreach. Lennart Meri, a filmmaker turned Foreign Minister, would work day and night with a staff of 21 establishing relations with nearby nations and European institutions. On August 20, 1991 Estonia declared independence again. The Soviet Union formally acknowledged it on September 6th,¹⁵ and the United Nations granted Estonia membership on the 17th.¹⁶ Finally, out from under the crimson yoke, the young government sought continuity with its first independence movement and distance from Russia. Estonian bitterness led to infrequent but intense anti-Russian political rhetoric,¹⁷ exclusionary language laws, and later a referendum which cost 40% of its inhabitants their citizenship.¹⁸ The confrontational government and the marginalization of Slavs in the region would not be forgotten by a Russian Federation who was “composing herself,”¹⁹ after the collapse of the USSR.

After five decades under socialism, Estonia labored feverishly for inclusion into the network of international institutions that emerged after World War II. Their early independence movement had not been forgotten. The State Department website notes:

The United States had never recognized the forcible incorporation of Estonia into the Soviet Union, and it views the present Government of Estonia as the legal continuation of the interwar republic.²⁰

They joined the United Nations and OSCE September 1991, one week after the USSR recognized their independence. The Council of Europe would welcome them in 1993 and the World Trade Organization in 1999. By the end of the 20th century it was a member of 84 international organizations, party to 193 bilateral treaties, and hosted 18 foreign embassies.²¹ Its diplomatic corps expanded from Lennart Meri’s staff of 21 to 500 employees in eight years.²² In its second decade of independence more memberships would come. Estonia was welcomed into NATO and the European Union in 2004. It would join the OECD in 2010 and replaced the kroon with the euro as primary currency in 2011. While inclusion in the EU,

¹⁵ (Raun 2001)

¹⁶ (Välisministeerium (Republic of Estonia Ministry of Foreign Affairs) 2024)

¹⁷ (Nørgaard 1999)

¹⁸ (ibid., p. 57.)

¹⁹ This refers to Alexander Gorchakov’s riposte “La Russie ne boude pas; elle se recueille.” [Russia is not sulking, she is composing herself]. Gorchakov was Estonian by birth. (The Editors of Encyclopedia Britannica 2024)

²⁰ (U.S. Department of State 2020)

²¹ (Nørgaard 1999)

²² (Park 2005)

OECD and NATO were widely popular, the kroon's lifespan as a symbol of Estonian independence was too brief.²³

The words “self-governing Estonia” translate to Isemajandav Eesti. As an abbreviation IME looks like their word for “miracle.” The economic miracle of early post-Soviet growth owes much to a series of domestic reforms that borrow heavily from the “Washington Consensus.” Estonia left the Soviet Union with 1000% inflation and a GDP per capita 1/7th that of Finland—with whom they had been near equals prior to 1940.²⁴ Inflation dropped to 29% by 1995. Much the way China managed to skip many of the growing pains of industrial revolution, Estonia moved rapidly into a modern European mold. Soviet-era penury left almost no legacy infrastructure that would require costly removal or upgrading. Instead, the broad early adoption of digital technology by the government and in public schools was instrumental in attracting lucrative foreign business. They Westernized their monetary policy, tackled property reform, established a flat tax, and transformed a marketplace corrupted under collective privation into one thriving under rule-of-law. Estonia was the first of the first post-Soviet state to issue their own currency and stabilized its value by pinning it to the Deutschmark. Estonia transformed itself into a free-trade zone, with zero export restrictions, and reduced trade-barriers. By 1995 half of their international trade had shifted away from CMEA countries to Western European partners.²⁵ Mart Laar, (Prime Minister in 1992), wrote in 2007 that “Estonia received more foreign investment per capita in the second half of the 1990s than any other country in Central and Eastern Europe.”²⁶ In 1999 specifically, this was twice the foreign direct investment as Latvia and eight times as much as Lithuania. Export to surrounding countries accounts for 80% of GDP.²⁷ Because of rich shale-oil deposits, little of Estonia's energy, unlike many other countries in Europe, is imported from Russia. The country has worked hard to distance themselves from their post-Soviet legacy by establishing strong international linkages, pro-business foreign policy, an innovation-centric educational system, and courting security from the US and NATO.

Basic Government Structure

They have a unicameral legislature (Riigikogu) which is elected proportionately and covers the population of 1.25 million. Party competition is healthy. The two largest parties, (Centre

²³ (Siarkiewicz 2011)

²⁴ (Laar 2007)

²⁵ (ibid., p.5)

²⁶ (ibid., p. 6)

²⁷ (Enterprise Estonia 2016)

Party and Reform Party) both picked up roughly 25% of the vote in 2015 elections.²⁸ Coalition building has been a central feature of domestic politics since independence.²⁹ The current Prime Minister Juri Ratas comes from the Centre Party, whose “strongest support comes from the country’s ethnic Russians.”³⁰ President Kersti Kaljulaid is Estonia’s first female in the role. Another interesting feature of Estonia’s “e-government” is that since 2000 they have had a paperless Office of Government. Ministers use tablets and special ID cards to record decisions. All of the Prime Minister’s decisions are digitally-signed. The paperless system extends to public vote taking and almost all government functions.³¹ They are able to do this because of extremely forward-looking investments in technology, as the country’s administrative functions and infrastructure were being built up in the nineties. Former president Toomas Ilves put it simply, “We just skipped certain things...”³²

Nordic vs Baltic Identity

Estonia is small. Its physical population are relatively few, but their technological experimentalism, progressiveness and success have allowed them a much bigger role, and level of international prestige than is often accorded Latvia or Lithuania. They say that you are only as important as the company you keep. And as Estonian successes have distanced them first from Russia, and more slowly Lithuania and Latvia, some have made the argument that they are closer to Finland, that they are Nordic. Another one of their celebrated and technically-inclined figures, former President Toomas Hendrik Ilves made a strong case in a 1999 speech that external image matters greatly in how Estonia is treated and trusted, and that the better way to understand Estonia is as “Yule-land” as a Nordic rather than Baltic state.³³ Ilves speech is representative of the mixture of liberalism and constructivism that compete for attention in the dialogue about Estonian national, and therefore international future. Identity matters a great deal, especially for those with little bargaining power, and great risk.

²⁸ (Central Intelligence Agency, 2018)

²⁹ Estonia has earned independence twice and been traded once in the 20th century. For the sake of brevity, reference to “independence” is to 1992 unless declared otherwise.

³⁰ (Martyn-Hemphill 2016)

³¹ (Government of the Republic of Estonia, 2016)

³² (The Economist, n.d.)

³³ (Ilves 1999)

Conclusion

Estonia's foreign policy decision-making process seems to be based on using their internationalism in combination with a technophilic optimism to imagine themselves into a safe future. By using their penchant for technological innovation, they intend to create new opportunities for themselves and others to deepen their business integration, their information technology infrastructure integration, trade integration and security integrations, and in such creating more linkages in support of collective defense and collective survival. They do not need to fight Russia if they can simply leave them behind. This is the outcome of that causal chain of forces described earlier. Their geographic vulnerability drives their internationalism and their affinity for technology, both of these are interesting responses to a permanent security concern. Their willingness to experiment, and to enlist broad participation of partners has multiplied their fortunes and created both new opportunities for them and their US and European patrons, as well as create aggravations for a very real, near, and irritable neighbor. The quality of the roads on both sides of the Narva river seem to tell the tale of whose approach is bearing fruit: that of the bear or that of the byte.

REFERENCES

- Central Intelligence Agency. 2018. "Estonia." In *The World Factbook*. Central Intelligence Agency. <https://www.cia.gov/the-world-factbook/countries/estonia/>.
- Enterprise Estonia. 2016. "Overview – Estonia." September 29, 2016. <https://estonia.ee/overview/>.
- Heller, Nathan. 2017. "Estonia, the Digital Republic." *The New Yorker*, December 11, 2017. <https://www.newyorker.com/magazine/2017/12/18/estonia-the-digital-republic>.
- Ilves, Toomas Hendrik. 1999. "Estonia as a Nordic Country." Speech presented at the Swedish Institute for International Affairs, Stockholm, Sweden, December 14. <https://vm.ee/en/news/estonia-nordic-country>.
- Kaljulaid, Kersti. 2018. "Address at the 73rd United Nations General Assembly in the US." Speech presented at the 73rd United Nations General Assembly, New York City, NY, United States, September 26. <https://vp2016-2021.president.ee/en/official-duties/speeches/14577-address-by-the-president-of-the-republic-of-estonia-kersti-kaljulaid-at-the-73rd-united-nations-general-assembly/layout-visit.html>.
- Laar, Mart. 2007. "The Estonian Economic Miracle," August. <https://www.policyarchive.org/handle/10207/12852>.
- Made, Vahur. 2011. "Shining in Brussels? The Eastern Partnership in Estonia's Foreign Policy." *Perspectives* 19 (2): 67–79.
- Martyn-Hemphill, Richard. 2016. "Estonia's New Premier Comes From Party With Links to Russia." *The New York Times*, November 21, 2016, sec. World. <https://www.nytimes.com/2016/11/21/world/europe/estonia-juri-ratas-center-party.html>.
- Meri, Lennart. 1991. "Estonia's Role in the New Europe." *International Affairs* 67 (1): 107–10. <https://doi.org/10.2307/2621221>.
- Mikser, Sven. 2017a. "ADDRESS BY THE MINISTER OF FOREIGN AFFAIRS, MR. SVEN MIKSER TO THE RIIGIKOGU." Address, Tallinn, September 2. <https://vm.ee/en/news/address-minister-foreign-affairs-mr-sven-mikser-riigikogu>.
- . 2017b. "Remarks by Foreign Minister Sven Mikser on EU Integration Perspectives and Expectations of the Associated Eastern European Partners Ahead of the Eastern Partnership Brussels Summit | Välisministeerium." Remarks, Tallinn, June 16.

<https://www.vm.ee/en/news/remarks-foreign-affairs-sven-mikser-eu-integration-perspectives-and-expectations-associated>.

Miljan, Toivo. 2015. *Historical Dictionary of Estonia*. Blue Ridge Summit, UNITED STATES: Rowman & Littlefield Publishers, Incorporated.

<https://ebookcentral.proquest.com/lib/kentucky-ebooks/reader.action?docID=2058190&ppg=393>.

Nørgaard, Ole. 1999. *The Baltic States after Independence*. 2nd ed. Studies of Communism in Transition. Cheltenham, UK; Edward Elgar Pub.

Ojuland, Kristina. 2004. “Main Guidelines of Estonia’s Foreign Policy.” Address presented at the Address by the Minister of Foreign Affairs of the Republic of Estonia Kristina Ojuland to the Riigikogu on behalf of the Government of Estonia, 8 June 2004, Tallinn, Estonia, June 8. <https://vm.ee/en/news/main-guidelines-estonias-foreign-policy-0>.

Park, Ausra. 2005. “Baltic Foreign Policy Making Establishments of the 1990s: Influential Institutional and Individual Actors.” *Journal of Baltic Studies* 36 (2): 178–208.

Raun, Toivo U. 2001. “Estonia in the 1990s.” *Journal of Baltic Studies* 32 (1): 19–43.

Riigikantselei. 2020. “Organisation and Planning of the Work of the Government |.” Government. Organisation and Planning of the Work of the Government. January 10, 2020. <https://www.riigikantselei.ee/en/supporting-government-and-prime-minister/organisation-and-planning-work-government>.

Riigikantselei and Justiitsministeerium. 1995. *Citizenship Act–Riigi Teataja. Riigi Teataja*. Vol. RT I 1995, 12, 122. <https://www.riigiteataja.ee/en/eli/512022015001/consolide>.

Sahajpal, Mridvika, Silviu Kondan, and David J Trimbach. 2018. “Integration Policy & Perceptions in Estonia - Foreign Policy Research Institute.” *Baltic Bulletin*. Washington, D.C.: Foreign Policy Research Institute.

<https://www.fpri.org/article/2018/05/integration-policy-perceptions-in-estonia/>.

Schnurer, Eric B. 2015. “E-Stonia and the Future of the Cyberstate.” *Foreign Affairs*, January 28, 2015. <https://www.foreignaffairs.com/print/node/1071378>.

Shlapak, David A., and Michael Johnson. 2016. “Reinforcing Deterrence on NATO’s Eastern Flank: Wargaming the Defense of the Baltics.” RAND Corporation.

https://www.rand.org/pubs/research_reports/RR1253.html.

- Siarkiewicz, Paweł. 2011. "Estonia in the Eurozone – a Strategic Success." 53. OSW Commentary. Warsaw, PO: Center for Eastern Studies.
<https://css.ethz.ch/en/services/digital-library/publications/publication.html>.
- Smith, David J. 2003. "'The Devil and the Deep Blue Sea': European Integration, National Identity and Foreign Policy in Post-Communist Estonia." In *Ideology and National Identity in Post-Communist Foreign Policy*, e-book, 245. Taylor & Francis Group.
<https://ebookcentral.proquest.com/lib/kentucky-ebooks/detail.action?docID=183184>.
- The Economist. n.d. "How Did Estonia Become a Leader in Technology?, How Did Estonia Become a Leader in Technology?" Accessed September 18, 2024.
<https://www.economist.com/the-economist-explains/2013/07/30/how-did-estonia-become-a-leader-in-technology>.
- The Editors of Encyclopedia Britannica. 2024. "Aleksandr Mikhaylovich, Prince Gorchakov | Russian Statesman & Diplomat | Britannica." In *Encyclopedia Britannica*.
<https://www.britannica.com/biography/Aleksandr-Mikhaylovich-Prince-Gorchakov>.
- U.S. Department of State. 2020. "U.S. Relations With Estonia." Government. United States Department of State. 03 2020. <https://www.state.gov/u-s-relations-with-estonia/>.
- Vahtla, Aili. 2019. "Number of Stateless Residents in Estonia Drops by over 2,200 in 2018." News. ERR. January 3, 2019. <https://news.err.ee/891967/number-of-stateless-residents-in-estonia-drops-by-over-2-200-in-2018>.
- Välisministeerium (Republic of Estonia Ministry of Foreign Affairs). 2024. "Estonia in the United Nations." Government. Estonia in the United Nations. April 13, 2024.
<https://www.vm.ee/en/international-relations/un/estonia-united-nations>.