

# The Reform Party of Prime Minister Kaja Kallas, favourite in the Estonian parliamentary elections on 5 March

On 28 November 2022, the President of the Republic, Alar Karis, announced to his fellow Estonians that parliamentary elections would be held on 5 March 2023 to renew the 101 members of the Riigikogu, the single chamber of parliament. The Head of State warned voters not to make this legislative election "a battle between two parties ... Making Estonia a two-party system would be a mistake in the sense that it would contribute to the dulling of national political life and reduce society's choices".

Nine political parties and 11 independent candidates are running in the election. Estonians can perform their civic duty early at a polling station and on the internet.

According to Toni Saarts, professor of political science at Tallinn University, Estonians have a choice between two political projects: one is national-conservative, the other social-liberal. In an article published in the daily *Postimees* on 9 January, he states that the first model sees the state as a shield that protects citizens against the dangers of globalisation (uncontrolled population movements, erosion of traditional values, dilution of the country's sovereignty as a result of its membership of the European Union), while for the second model, the state's mission is to guarantee the protection of all citizens, regardless of their origins, and to make the protection of the planet an absolute priority.

Two parties, the Conservative People's Party (EKRE) and Isamaa (I), to a lesser extent, defend a national-conservative project: the other parties, the Reform Party (ER), the Social Democratic Party (SDE), Eesti

200 and the Centre Party (K), favour a social-liberal project.

Security (Estonia has almost 300 km of borders with Russia) and economic issues, including the energy crisis and inflation, are the major topics of the election campaign.

Estonia has been governed since July 2022 by a coalition comprising the Reform Party (ER) of Prime Minister Kaja Kallas, the Social Democratic Party (SDE), led by Lauri Läänemets, and Isamaa (I), a conservative Christian Democratic party led by Helir-Valdor Seeder. The Reform Party governed with Juri Ratas' Centre Party (K) between January 2021 and July 2022 with Kaja Kallas as head of government. This coalition succeeded the coalition formed by the Centre Party, Isamaa and Mart Helme's populist Conservative People's Party (EKRE) created after the previous parliamentary elections on 3 March 2019. This government was led by Juri Ratas.

According to the latest opinion poll conducted by the Norstat Institute at the beginning of February, the Reform Party is expected to lead the legislative elections with 31.9% of the vote. The Conservative People's Party is forecast to come next with 22.8% and the Centre Party with 18.1%. Eesti 200, the Social Democratic Party and Isamaa are running neck and neck with 8.4%, 7.1% and 7% respectively.

If Estonians could choose their Prime Minister, they would opt for outgoing Prime Minister Kaja Kallas, according to the Kantar Emor poll. Nearly four out of ten voters (36.70%) favour her. A fifth (21.3%) would prefer the leader of the Centre Party, Juri Ratas, and

15.6% the leader of the Conservative People's Party, Martin Helme.

According to political analysts, there four government coalitions are possible after the elections. The first would include the Reform Party, the Social Democratic Party and Eesti 200 (which could eventually be replaced by Isamaa). The second would include these four parties. The third, in case of victory by the opposition, would combine the Popular Conservative Party, the Centre Party and Isamaa. Finally, the fourth, which seems highly unlikely, would bring together the Reform Party and the Centre Party.

To know which coalition will finally be favoured, it will be important to see which theme dominated during the campaign, defence or the economy. 30% of voters are still undecided. 10% to 15% of voters make up their minds in the week leading up to the vote, or even on the day itself.

#### **TWO YEARS OF KAJA KALLAS'S GOVERNMENT**

Prime Minister Kaja Kallas faced difficult times in 2021-2022 due to the energy crisis that severely impacted the economy, forcing many companies to close temporarily. The government had long refused to pay them aid, arguing that the country needed to adopt long-term solutions, before recognising that tensions between Ukraine and Russia (before February 2022) would further increase the already high gas prices. In January 2022, Kaja Kallas finally announced a €245 million plan to help Estonians cope with rising energy costs.

Estonia was one of the first countries to help Ukraine, to which it sent anti-tank missiles in the first weeks of February 2022. Kaja Kallas also called on the EU to impose sanctions on Russia after Vladimir Putin's recognition of the Donetsk and Luhansk republics. Estonians were particularly appreciative of Kaja Kallas' handling of the crisis and then the war between Moscow and Kyiv, and she has regained strong popularity. Estonia remains the country in the world that has contributed most to the military equipment of Ukrainians in proportion to its GDP per capita.

The Reform Party has made the Conservative People's Party its main opponent. "*The choice is clear for the upcoming elections: either the Reform Party wins the election or the Conservative People's Party,*" said Kaja Kallas. The Reform Party's programme focuses on defence issues, economic development and environmental reform. "*Estonia is in good hands,*" said the Prime Minister in her closing speech announcing her party's programme in January. Kaja Kallas wants the country to eventually become energy independent. The Reform Party favours the establishment of a flat tax (a single tax rate of 10% for VAT, income tax and corporation tax). It plans to increase tax exemption to €700 per month for all. It is in favour of further privatisations, wants to reform the labour law, increase the minimum pension by €400 and exempt people receiving the average pension from tax. It is also promising to raise teachers' salaries to at least 120% of the average wage.

The Social Democratic Party, a partner of the Reform Party in the outgoing government, wants to increase wages. "*Prices have gone up, so wages must go up,*" says Lauri Läänemets, outgoing interior minister and SDE leader. The party plans to raise the minimum wage from €725 to €1,000 by 2024, €1,100 by 2025 and €1,200 by 2026. It wants to help companies to provide these wage increases over two years. Half a billion euros will be spent on developing companies with low-paid employees and supporting training. The SDE wants teachers' salaries to be at least 130% of the average salary. The SDE is in favour of a progressive income tax system and wants a 25% tax on income from €3,000 upwards. It proposes to allocate an allowance of €150 per birth from the first child. The party's slogan is "*Cooperation is security*".

Another member of the government coalition, Isamaa has focused its campaign on defence and security issues, protection of the population, defence of the Estonian language, culture and spirit. The party, whose slogan is "*There is only one fatherland*", wants to introduce both pension and tax reform. It is promising to pay an allowance of €5,000 for each child or dependent person and an extra month's

pension for each child that a family raises. Isamaa wants to increase teachers' salaries to 125% of the average wage.

### THE LEFT-WING OPPOSITION

The Centre Party's programme is based on five pillars: increasing the average retirement pension to €1,000, supporting companies that are battling against the energy crisis, establishing a progressive income tax, reforming the health system to reduce waiting times for sick people and building rental housing in all regions of the country. The opposition party, which has chosen "*With courage and for the people*" as its slogan, wants the election of the President of the Republic to be by direct universal suffrage. Currently, the head of state is elected either by the 101 deputies of the *Riigikogu* or - if the deputies cannot agree on a name - by an electoral college that brings together the 101 deputies and the members of the representative assemblies of Estonian municipalities. The Centre Party would like to empower citizens and allow them to engage more in public debate by giving a minimum of 25,000 people the right to table a bill that parliament would be obliged to take up and discuss.

It supports progressive income taxation and wants a 60% tax on incomes as soon as they reach €3,400, which is double the average wage. It is promising to reduce VAT on food products and to halve household electricity costs.

### THE RIGHT-WING OPPOSITION

The Conservative People's Party is the largest and most hated opposition party. Together with the Centre Party, the Conservative People's Party is also the most divisive. According to its leader Martin Helme, "*Estonia is suffering from high prices, immigration and the threat of war in Ukraine ... If nothing changes in the next four years, the country will soon be on the brink of extinction.*" The party's slogan is "*Let's save Estonia*". "*Either Estonia remains a nation or it will not and Estonians will become a minority in their own country and Estonian will become a third-class language behind English and Russian,*" said

the EKRE leader, who regularly denounces what he calls the "*globalist bloc*", i.e., the Reform Party, Eesti 200 and the Social Democratic Party. The party is calling for a reduction in VAT on food products (from 20% to 6.5%) and on medicines (from 9% to 5%). It points out that Estonia is one of only four countries in the European Union without reduced VAT on food products.

### THE POLITICAL SYSTEM

The *Riigikogu*, the single chamber of Parliament, has 101 members, elected every 4 years by proportional representation in 12 multi-member constituencies with a minimum of 5 seats (Lääne-Viru) and a maximum of 16 (Harju and Rapla). The voting system is proportional, and voters can choose the order of the candidates on their ballot.

For the distribution of seats, a quotient is established for each constituency by dividing the number of valid votes by the number of elected members allocated to the constituency. Any candidate who wins more votes than this quotient is declared elected. Unallocated seats at the constituency level, known as compensation mandates, are distributed according to the modified d'Hondt method among the parties whose candidates have obtained at least 5% of the national total of votes cast.

Candidates for the parliamentary elections, who must be at least 21 years old, may run under the banner of a political party (a party is allowed to field up to 125 candidates) or with the support of voters. A deposit of approximately €700 per candidate is required to participate in the election, which is returned to the candidate or party if they receive a number of votes equal to half the quotient of their constituency or if the party to which they belong garners at least 5% of the national vote.

5 political parties are represented in the current *Riigikogu*:

- the Reform Party (ER), a liberal party founded in 1994 by former Central Bank President and former Prime Minister (2002-2005) Siim Kallas and led since

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April 2018 by his daughter, Kaja, the outgoing Prime Minister, has 34 seats;

- the Centre Party (K), established in 1991 and led by Juri Ratas. The Centre Party (K), created in 1991 and led by Juri Ratas, is on the left of the political spectrum and very popular among the Russian-speaking minority of the country, with 26 seats;

- The Conservative People's Party (EKRE), a right-wing populist party led by Martin Helme, has 19 seats;

- Isamaa (I), a conservative Christian Democratic party established in 2008, led by Helir-Valdor Seeder

and a member of the outgoing government, has 12 seats;

- the Social Democratic Party (SDE), formed in 1990, member of the outgoing government and led by Lauri Läänemets, has 10 seats.

In Estonia, the President of the Republic is elected for 5 years by indirect vote. Alar Karis was elected head of state on 31 August 2021 by the Riigikogu after the second round of voting.

### Reminder of the results of the Estonian parliamentary elections of 3 March 2019

Turnout: 63.67%

Political Parties	Number of votes won	% of votes won	Number of seats
<b>Reform Party (ER)</b>	162 363	28.93	34
<b>Centre Party (K)</b>	129 618	23.10	26
<b>People's Conservative Party (EKRE)</b>	99 671	17.76	19
<b>Isamaa (I)</b>	64 219	11.44	12
<b>Social Democratic Party (SDE)</b>	55 175	9.83	10
<b>Eesti 200</b>	24 448	4.36	0
<b>Green Estonians</b>	10 227	1.82	0
<b>Biodiversity Party</b>	6 858	1.22	0
<b>Free Party (EVA)</b>	6 461	1.15	0
<b>United Left Party</b>	511	0.09	0
<b>Independents</b>	1 590	0.28	0

Source : <https://rk2019.valimised.ee/et/election-result/election-result.html>

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