National Security Concept
of the
Republic of Estonia

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INTRODUCTION

The National Security Concept of the Republic of Estonia is a set of principles and foundations drawn up by the Government of the Republic. It includes the evaluation of Estonia`s security situation as a starting point to determine the security policy goals and guidelines of the Republic of Estonia. The document presents security policy aspects of various spheres of life, which all have an impact on the security of the Republic of Estonia. This means the inclusion into security policy in addition to the traditional military-political questions also domestic activities in the economic and social spheres, fight against increasingly urgent problems in the contemporary world like environmental risks, illegal migration, international organised crime etc.

The National Security Concept is devised as a summary of present developments with the aim of drawing attention to the various spheres that are significant from the point of view of security. The document brings forward the main tasks in these spheres, leaving a more detailed treatment of the issues to specific development strategies and programmes. This document as a set of general guidelines of security policy will assist the state institutions in further planning and assigning of resources.

The National Security Concept will be revised as the security situation develops. The document will be reviewed according to the changes in Estonia's security environment and as new options appear for safeguarding and ensuring Estonia's security in this environment.

1. FOUNDATIONS AND GOALS OF ESTONIA'S SECURITY POLICY. ESTONIA'S SECURITY RISKS.

1.1. Current developments in security policy and Estonia's security environment.

Today's world is characterised by rapid changes in international relations. Most of Europe is enveloped in trans-Atlantic co-operation founded upon common democratic values. On that same basis, co-operation among states and international organisations is increasing in the security and economic spheres around the globe. International agreements on confidence building measures are being renewed. These indicators have a positive effect on Estonia's current security environment.

For Estonia, the most significant development in the international environment is the process of Euro-Atlantic integration: the continued enlargement of the European Union and NATO. Estonia fully shares the basic democratic principles and goals upon which the EU and NATO were established and aims to become a full member of both the EU and NATO. From the time they were formed, these structures have guaranteed peace, stable social development and economic growth in the territory they cover. They are strengthening further in the enlargement process that sticks firmly to the principles, which have been declared. For Estonia, membership offers a realistic and historically unique opportunity to secure its democracy and sovereignty.

The enlargement of the EU and NATO has been successful thus far. But the process is not yet finished. The security environment, speedily transformed since the end of the Cold War, has not yet completed its evolution in full. Different developments are

underway. Democracy and free markets as organising principles for society are becoming more widespread, especially in Europe. Economic and social processes as well as communications acquire an increasingly globalised scope, creating close interstate ties that, in turn, have an intrinsic effect on the security environment. Transparency in military questions has increased in relations among states. With the disappearance of the armed rivalry of the Cold War era, the danger of wide-ranging military conflict has dropped sharply.

Despite this progress, the security environment in Europe and the world as a whole has not yet achieved stability. The dynamics of local and regional crises, often arising without warning, may exert a ripple effect. Security-related changes around the world have brought with them so-called new security risks as defined in NATO's strategic concept, such as the proliferation of chemical weapons and weapons of mass destruction, organised crime, floods of those seeking refuge from crises and catastrophes, and so forth. States and international organisations have already had to strengthen their capacity to react to such crises (and battle such dangers), and will have to further bolster that capacity. Closely tied to this phenomenon is another development: international law is extending its influence to new spheres and is being interpreted in new ways. There is a growing need for co-operation of the closest kind and on various levels.

This sort of co-operation has come about quickly in Estonia's immediate vicinity. What has characterised the Baltic Sea/Northern Europe area of late is the tendency for states to join large international organisations and establish new structures for regional co-operation. Regardless of great changes, the region as a whole remains stable. This is no crucible of conflict. Rather, good-neighbourly relations prevail among states. The region is moving toward a certain goal: the process of integration with Europe. Both NATO and the EU have recent experience in enlarging to the Baltic Sea area. Presently, Estonia's northern neighbours Finland and Sweden have joined the European Union, Norway as well as Poland belong to NATO, whereas Denmark and Germany are members of both. The Russian Federation has not supported NATO's enlargement. However, Russia has been made a part of Euro-Atlantic co-operation through various European Union and NATO programmes, including the Northern Dimension, Partnership for Peace, and the Northern European Initiative, the US's strategic action plan for the development of stability, democracy and co-operation in the Baltic Sea region.

Like Estonia, Latvia and Lithuania seek full membership in the EU and NATO. That Estonia, Latvia and Lithuania have clearly and firmly delineated their security priorities has helped shape the orientation of the Baltic Sea security environment.

All countries in the region are members of the Council of Baltic Sea States, established in 1992. Recently, a number of states outside the area have become observers in this forum, among them the United States, which has reaffirmed its deep and lasting interest in the developments of the region. All countries of the region also belong to the UN, the OSCE, and the Council of Europe, a configuration that creates opportunities for multifaceted co-operation.

Besides political integration, Estonia is closely connected to other states through economic ties. Close economic relations with developed countries strengthen

Estonia's own macroeconomic stability, offering stable markets for Estonian products and services. At the same time, Estonia's small size and open approach renders the economy strongly dependent upon the dynamics of the global market. From a security standpoint, it is vital that Estonia seeks the continued inflow of foreign investments, as well as balance, transparency and the rule of national interests in foreign economic relations. Those aims are well served by Estonia's membership in institutions of international economics and finance, such as the World Trade Organisation, which Estonia joined in 1999, and the OECD, in which Estonia still seeks membership.

In these ways, Estonia has become an inseparable part of the web of international relations. It is in Estonia's national interest to participate in international co-operation in order to further reinforce the security environment. This assumes that Estonia will defend and unequivocally support democratic values at home as well as abroad. Estonia's primary contribution is its own stability, its readiness to fend off security risks, and its cultivation of the armed forces and a defence capable of engaging in co-operation. For Estonia, the best expression of international co-operation that is based on democratic principles and aimed at bolstering the security environment is the process of Euro-Atlantic integration. Through membership in the European Union and NATO, Estonia's goal is fully and effectively to consolidate sovereignty and security, thus supporting Estonia's democratic and economic progress and through that strengthening the international security environment.

1.2. Foundations and goals of security policy.

The basis of Estonia's security policy is the constitutional mandate to safeguard Estonia's existence as a democratic state, using all domestic and foreign policy instruments.

Estonia's national interests and security policy goals are:

- To maintain the territorial integrity and sovereignty of Estonia
- To safeguard the existence and progressive development of Estonia as a democratic state
- To promote national welfare and preserve the cultural heritage, to safeguard the preservation of the Estonian people, Estonian language and culture as well as Estonian identity through ages while promoting international co-operation in the globalising world.

Estonia's security policy is guided by the principle that security is indivisible and international co-operation is necessary, and is based on a belief in the collective defence of common values. The basis of Estonia's security is its domestic stability, promotion of stability and security in the Baltic Sea region as well as in the Euro-Atlantic space as a whole. The primary international instruments for the implementation of Estonia's security policy are mechanisms of co-operation: organisations and treaties, including treaties for collective defence, participation in international peacekeeping operations and arms control and confidence building measures.

Estonia operates according to the internationally accepted norm that every state enjoys the right and freedom to choose its own security solutions and is obliged to refrain from endangering the security of other states. In addition, Estonia's international security obligations encompass such areas as participating in international peacekeeping operations and preparing for collective defence. Estonia's security policy bears in mind the continued development of the international security system and takes into account possible crises that may arise.

1.3. Major guidelines and basic documents of security policy.

Since the re-instatement of independence in 1991, and based on its security environment and national interests, Estonia has operated according to the following security policy priorities:

- Integration and co-operation with European and transatlantic security, political and economic structures (NATO, the European Union, the WEU) with the aim of contributing to international peace and stability;
- Development of a national defence system that safeguards Estonia's independence and territorial integrity, provides defence capacity compatible with NATO requirements and the capability to participate in joint defence and international peace support operations; educating the youth in the spirit of patriotism and high ideals, developing the defence will of the population.
- Continuation and further development of good-neighbourly relations and co-operation with all states in the European and transatlantic region, on the basis of common values and mutual interest;
- Strengthening the rule of law and a liberal market economy and promoting the internal integration process in Estonian society with a view toward accelerating Estonia's development and supporting the long-term stability of the state;
- Strengthening internal security, including the fight against organised crime, drug trafficking and illegal migration;
- Promoting the physical and mental health as well as the social welfare of the population, including reforming the health care system; developing and ensuring the realisation of state programs with the purpose of the increase of the Estonian population as a result of increase in birth and decrease of the death rate.

In order to fully realise these security priorities, the state must ensure that the instruments of domestic, foreign, defence and economic policy are implemented in a co-ordinated fashion.

Estonia's primary and immediate duty in bolstering security is to develop a national defence system able to provide:

1) a military defence capability;
2) capacity to participate in the international security system and its co-operative efforts, including the future joint defence according to Estonia`s obligations and possibilities;
3) readiness to resolve international and domestic crises through relevant crisis management mechanisms.

In implementing its security policy, the Government of Estonia is guided by the Constitution, laws and other legal acts of the Republic (the Foreign Relations Act, the Peace-Time National Defence Act, the War-Time National Defence Act, the Utilisation of the Defence Forces in the Fulfilment of the International Obligations of the Estonian State Act, the Military Service Act and others) as well as international treaties, conventions and norms. Concrete actions are based on decisions of the Estonian parliament (*Riigikogu*) –including the 1996 resolution on "Guidelines of the National Defence Policy" and decisions regarding the participation of Estonian units in peacekeeping operations—and also by Government decisions and programmes. In 1994, Estonia joined NATO's Partnership for Peace (PfP) programme and signed the PfP Framework Document; in 1997 it joined the Euro-Atlantic Partnership Council (EAPC) and approved the EAPC Basic Document; and in 1999 it joined NATO's membership action plan (MAP), approving the MAP document accepted by the relevant NATO summit and subsequently offered to Partners. On the basis of MAP, the government adopts Annual National Plans (ANP). In addition, Estonia has concluded a number of defence co-operation treaties, including wide-ranging ones with Latvia and Lithuania.

The goal of NATO accession was approved by the *Riigikogu* in May 1996, and NATO membership as a separate goal was inserted into all relevant Government programmes.

Participation in international crisis management, peace-creation and peacekeeping as well as assistance in catastrophes are activities covered by the Foreign Relations Act; the Peacetime National Defence Act; the Utilisation of the Defence Forces in the Fulfilment of the International Obligations of the Estonian State Act; Emergency Preparedness Act; and international obligations that Estonia has assumed. The *Riigikogu*'s 20 January 1999 decision on "Guidelines for Estonia's Development co-operation" also covers the fundamentals of allocating humanitarian aid.

The basis of Estonia's relations with the European Union is the Association Agreement signed in 1995, the so-called Europe Agreement that fixes Estonia's final goal of membership in the EU. After ratification of that Agreement by the Riigikogu, the Government submitted its membership application to the EU in October 1995. On the basis of the Luxembourg summit decision in 1997, Estonia and the EU accession talks started.

The foundations of Estonia's economic order are provided by the Constitution that stipulates as basic rights of freedoms of citizens: the right to private property, right to choose a profession and a sphere of activity, right to engage in enterprise and to form commercial associations and unions. Provisions of the Constitution concerning the Bank of Estonia and state finances also constitute a part of the foundations of the economic order. The legal framework necessary for the implementation of the principles stipulated by the Constitution is based on finance law and civil law. The main legal acts determining Estonia's economic order are the State Budget Act based on the principle of a balanced budget, the Bank of Estonia Act stipulating the independence of the central bank from the government, tax laws establishing open, equal and liberal treatment of businesses. In implementing the economic policy the government takes its course from these laws and guidelines of the *Riigikogu* but also

from agreements with international organisations, such as the memoranda of the IMF and the Estonian-EU Joint Assessment of Estonia's economy.

The basis of Estonia's agricultural policy is formed in addition to the documents determining Estonia's economic order also by the decision of the *Riigikogu* from 1994 "Basic guidelines of drafting the laws concerning rural life and agriculture" and the strategy of the development of Estonian agriculture approved by the government in 2000.

Estonia's health care policy, approved by the Government in 1995, defines the health of individuals as one of Estonia's primary national priorities.

The basis for Estonia's environment policy is the national environment strategy, passed in 1997 by the *Riigikogu*; as well as the national environmental protection action plan endorsed by the Government in 1998.

The conceptual foundation and programme goals for Estonia's national integration policy are articulated in the document entitled, "Guidelines of Estonia's National Integration Policy for the Integration of non-Estonians into Estonian society." This document was passed in June 1998 by the *Riigikogu*.

The basic guidelines of cultural policy in Estonia were approved by the *Riigikogu* in 1998.

1.4. Estonia's security risks.

The major risk to Estonia's security is potential instability and developments in the international arena that are politically uncontrollable, as well as international crises. As long as the new post-cold War Euro-Atlantic security framework has not completed its evolution, the potential for tension exists for Estonia because of delays in an international resolution. Uncertainty in the international arena could well leave Estonia in a security vacuum.

Military risks.
Estonia does not see a direct military threat to its security neither now, nor in the foreseeable future. The end of the Cold War has reduced the potential for military altercation that would encompass all of Europe, and has lessened the threat of conflict in the Baltic Sea region, too. A continued lessening of military threat depends on developments in the international arena, including the ongoing process of Euro-Atlantic integration, as well as on development of Estonia's defence capability. In the Baltic Sea region, economic and political developments within the region's states are important, as is an increasing closeness of ties among those states. The only nuclear state of the region, the Russian Federation, has approved a new security policy concept and military doctrine. At the same time, Russia has reduced the size of its forces in the Northwest, that is, in Estonia's immediate vicinity. All other Estonia's neighbour states are also presently reforming their armed forces according to the changed security environment. Estonia will monitor ongoing developments and will maintain a readiness for possible future changes so as to be able to react, should the need arise.

The risk of outside political pressure.
Just as there is no direct military threat, there is also no direct danger at present that Estonia would yield to outside political pressure to alter its domestic or foreign policy course. The most effective guarantor that Estonia will be able to avoid—and, should the need arise, to resist such pressure is Estonia's successful political and economic development, continued integration into the international economic and security system and the consolidation of society around democratic values.

New security risks.
Against a backdrop of a reduced military threat, rapid changes in the international arena, in economy and in technology have brought a number of so-called new, non-military risks to the fore. On a global scale these include ecological risks, the potential for ethnic conflict, international organised crime, the proliferation of weapons of mass destruction, and the potential volatility of social and economic problems. All of these so-called new risks have the potential to influence Estonia either directly or indirectly. Particularly in the Baltic Sea region, Soviet-era nuclear energy plants heighten the danger of ecological catastrophe, as do other large industries such as chemical producing plants. In addition to ecological danger, economic and humanitarian catastrophes may result in floods of refugees and widespread in-migration, both of which have the potential to de-stabilise the states of the region.

A number of factors with a potential to influence Estonia's domestic security stem from the great economic and social transformation that the region is undergoing. The speedy pace of change brings with it the danger of a widening socio-economic gap. This, in turn, increases social problems such as crime and substance abuse. The explosive growth of post-Cold War phenomena such as international organised crime and terrorism, as well as smuggling of narcotics and arms, among other things, can also influence Estonian society. The increasing use of electronic information systems in Estonia and their interconnectedness with global information systems increases the risk of computer crime as well as the vulnerability of the national information system. These new security risks demand a co-ordinated response by national institutions and broad international co-operation.

Economic risks.
New economic risks are inherent in increasing globalisation. Estonia's economy is strongly integrated into the global economy. For that reason, Estonia is vulnerable to possible global recession or fluctuations in markets important to Estonia. One risk factor is Estonia's dependence on gas and petroleum imports and, in the case of gas, on one single producer. The interconnectedness of Estonia's electricity system with that of Russia is also a risk factor. Estonia must build up a strategic reserve of petroleum products and widen the market to other gas suppliers. With regard to developing East-West transit trade, Estonia must factor in fairly high risks, at least until Russia's economy stabilises. Estonia's economic ties, including foreign investment in Estonia, must be as diversified as possible, whereby the task of the state is to favour the orientation of exports to stable markets of developed countries. The state must be able to guarantee confidence in the Estonian kroon. Preparations for accession to the EU demand that production continue to be brought into compliance with European norms—this raises the overall competitiveness of the Estonian economy and lessens risks stemming from unstable markets.

2. ESTONIA'S FOREIGN AND SECURITY POLICY. INTEGRATION AND INTERNATIONAL COOPERATION.

2.1. Integration with NATO.

Estonia's security environment has been reinforced owing to the process of NATO enlargement and the decisions of the 1997 and 1999 NATO summits. One of the major priorities of Estonia's security policy is to prepare for accession to NATO.

In recent years, NATO has defined new post-Cold War tasks and is the only structure to have acted effectively and decisively to resolve crises in Europe. Estonia supports the new strategic concept approved by the 1999 NATO summit in Washington and the decisions taken there which further affirm the Alliance's new identity. NATO has preserved its initial duty—the collective defence of its members--but has stressed the task of crisis prevention and participation in resolving international crises.

As an important step toward updating NATO, the Washington summit endorsed Nato's Defence Capability Initiative. The DCI emphasises the need for member states to develop a capacity for military instruments appropriate to today's tasks.

Estonia's goal of joining NATO is founded upon the conviction that full integration is the best way to protect and consolidate the modern democratic state. Further, integration ensures a stable climate for economic development and provides the opportunity to participate successfully in international security efforts as well as to utilise Estonia's national defence resources in the most effective way. The Government of Estonia has set the goal to do everything on its side to be prepared for joining NATO in the next wave of enlargement. Decisions on the next enlargement are expected to be made on the next NATO summit in 2002.

The 1999 Washington summit defined NATO's candidate countries, among them Estonia. As an affirmation of that political decision, the summit presented candidates with a new initiative that gave a practical form to the integration process, that is, the Membership Action Plan. By way of the MAP, Estonia and NATO began a dialogue expressly directed at preparing Estonia for membership. Estonia compiles, presents and implements Annual National Programme the fulfilment of which Estonia analyses and evaluates together with NATO. On the basis of the ANP, Estonia and NATO set tasks encompassing all facets of the MAP, including political and economic questions, issues of military and national defence as well as resource use, information security questions, and legal issues.

In order to fulfil Estonia's security policy goals, the *Riigikogu* has scheduled to raise defence expenditures to 2% of GDP by the year 2002. Preparations for NATO membership are led at the highest political level by a Government commission chaired by the Prime Minister, whereas at the working level, an expert commission co-ordinates policy.

Beginning with the re-instatement of independence in 1991, the goal of joining NATO has enjoyed the broad support of Estonia's political parties and the population alike, regardless of changes of government and in the composition of the Parliament. Broad popular support is vital. This requires that the system for distributing information about NATO be effective, and able to illuminate all aspects of integration with the Alliance.

Estonia continues to participate in NATO's Partnership for Peace programme and in the Euro-Atlantic Partnership Council. Taking an active role in the PfP and the EAPC is a part of preparing for membership, and provides opportunities for broader co-operation, including with those NATO Partner states that do not seek full member status. Co-operation among states with differing security choices strengthens general stability.

In order to achieve interoperability with NATO, Estonia has participated in the PfP Planning and Review Process (PARP) from the start. Within the PARP framework, Estonia and NATO have agreed to concrete interoperability objectives (IO), Initial Partnership Goals (IPG) as well as Partnership Goals (PG). The six-year PARP/PG cycle comprises the development of a national military defence as well as the major goals toward preparing for NATO membership. The two sides jointly assess the fulfilment of those tasks. In the same way, the two sides jointly agree each year on an Individual Partnership Programme (IPP) for Estonia. The PGs and the IPP, in turn, are reflected in the Government's Annual National Programme (ANP), constituting the core of the chapter on military and national defence questions. To achieve interoperability is an integral part of preparing for NATO membership, but it is already needed now in order to participate in international peacekeeping operations.

Estonia has garnered valuable practical experience by taking part, alongside NATO member states, in UN and NATO-led peace operations in Europe (IFOR, SFOR, KFOR). Estonia's international credibility as a partner in security co-operation depends directly on Estonia's own contribution to those operations. For this reason, Estonia's capability to help resolve international crisis situations requires constant improvement.

2.2. Integration with the European Union and the evolving European Security and Defence Policy.

In 1997, Estonia was invited to begin accession negotiations with the European Union. The Government of Estonia has set concrete tasks in order to prepare for EU membership. These tasks are based on the European Union's Accession Partnership document and the Estonian government's annual National Plan for the Adoption of the Acquis (NPAA). The goal is to complete both negotiations with the EU and domestic preparations by 1 January 2003.

In accordance with the Maastricht and Amsterdam treaties, the EU is becoming not only an economic union, as initially conceived, but also a political union. To that end, the EU is developing a Common Foreign and Security Policy (CFSP) that embraces all member states. One goal of the CFSP is to promote democratic values and the Rule

of Law also outside the EU's borders so as to prevent new post-Cold War security risks and crisis situations.

In the past several years, the EU has accelerated development of its crisis resolution capability in order to fulfil the so-called Petersberg tasks pursuant to Article 17.2. of the Amsterdam Treaty. The goal of the evolving European Security and Defence Policy (ESDP) is to raise the capability of European states to resolve potential crises in the event that NATO decides not to participate in a given operation. The ESDP, focused as it is on crisis resolution, does not replace NATO as a collective defence organisation, rather complements it. Estonia supports the position that development of a European security and defence dimension should not weaken trans-Atlantic ties but must strengthen the contribution of European states to NATO.

As foreseen in the Association Agreement, Estonia and the EU engage in an ongoing political dialogue designed to close the gap in positions on international questions and enable day-to-day co-operation with the EU in the area of foreign and security policy. According to the decisions of the 1999 EU Helsinki summit, candidate states will, in principle, be granted the opportunity to participate in EU-led military operations as well as in consultation mechanisms set up for the joint discussion of questions regarding European security and defence policy. Estonia supports the development of the ESDP, including the increased capacity for the resolution of military and civilian crises, and, to that end, plans to make a real contribution according to its resources and possibilities.

Estonia's preparations to join NATO are fully consistent with recent trends in Europe's security and defence policy. Estonia is following closely the development of the ESDP and, as a future member, wishes to be included as early as possible in both the constructive dialogue as well as in permanent institutionalised ties. This would give Estonia, still a candidate state, the opportunity to shape its own security and defence policy in a way that is consistent with the EU's major guidelines and would ensure that in taking broader security decisions, the principle of the indivisibility of security would be maintained.

Estonia's task is to guarantee the resources and readiness both to join NATO and to fulfil the obligations required of its member states as well as to participate in the EU's common security and defence policy and in European operations.

2.3. Co-operation with the Western European Union (WEU)

Official relations between Estonia and the WEU began in 1992 within the framework of the Consultation Forum. Estonia has been an Associated Partner of the WEU since 1994. For Estonia, the WEU has provided a venue for the discussion of European security questions with the participation of all the states affiliated with that organisation, regardless of the status of their affiliation. As of October 1997, Estonian representatives have worked in the WEU's Multinational Police Advisors Element (MAPE) in Albania.

The relative importance of the WEU as part of the European defence system is changing as the ESDP is reinforced within the EU framework. Taking into account

co-operation that has gone on to date, Estonia regards it essential to make use of the WEU's experience and working procedures, including modes of co-operation with non-members, insofar as this is possible as the WEU transfers tasks to the EU. Estonia's goal in participating the WEU has been to fortify its own security and to consolidate its place within the European security and defence structure, in all its myriad evolutionary stages.

2.4. Bilateral and multilateral relations in security policy

In addition to the process of Euro-Atlantic integration, bilateral relations play an important role in shaping Estonia's security environment. Estonia's security policy, and the implementation of that policy, are not directed against any one state. Defence co-operation is an additional way in which Estonia participates in the international security system. In the Baltic Sea region, NATO members, NATO candidates, militarily non-aligned countries as well as the Russian Federation all co-operate in security matters. Other, more distant states that are nevertheless interested in the security of the Baltic Sea area also participate in regional security and defence efforts. Among the expressions of evolving co-operation in regional defence, the projects involving the three Baltic states, often with the support of many foreign countries, stand out. Defence co-operation among various states increases security and stability in the region. The military confidence building measures foreseen in the Vienna Documents, and arms control agreements, such as the CFE, are being implemented in the entire Baltic Sea region, in this way enhancing military transparency in the area.

In keeping with the principle that international security is indivisible, the United States has articulated its real, profound and enduring interest in the Baltic states. Along with Latvia and Lithuania, Estonia has concluded a partnership charter with the United States, the so-called Baltic Charter. The Charter articulates US support for the integration of Estonia, Latvia and Lithuania into Europe and trans-Atlantic structures and covers economic as well as security co-operation. The Charter launched a regular series of meetings of economic and security policy working groups. In addition, the US actively participates in helping the Baltic states achieve the goals set for them within NATO's Membership Action Plan.

Estonia has established a broad network of co-operative ties, including those of a security and military nature, with all the states of Europe and the trans-Atlantic area, first and foremost with members and candidate states of NATO and the European Union. Estonia has concluded defence co-operation agreements with fourteen NATO member states (Canada, the Czech Republic, Denmark, France, Germany, Hungary, Italy, the Netherlands, Norway, Poland, Spain, Turkey, the United Kingdom, the United States) and three NATO Partners (Slovenia, Finland and Ukraine). This bilateral co-operation is becoming increasingly intense. Within the framework of the agreements, the parties have sought to engage in co-operation according to annual plans that comprise both political-military consultations as well as all kinds of practical efforts. In addition to the bilateral agreements, Estonia has concluded a trilateral co-operation agreement along with Latvia and Lithuania.

2.4.1. Relations with Latvia and Lithuania

A similar historic experience, a like process toward the re-instatement of independence and a comparable geopolitical and security situation connects Estonia to its southern neighbours Latvia and Lithuania. All three states are presently conducting negotiations with the EU and are NATO candidate states involved in preparing for membership within the framework of NATO's MAP process. Lasting stability for Estonia is unthinkable without comparable stability for Latvia and Lithuania. The success of each state in the Euro-Atlantic integration process reinforces the security of the other two. For this reason, the broadest possible co-operation with Latvia and Lithuania, as well as co-ordinated action in the international security arena, are of vital importance to Estonia as it shapes its security environment. Estonia estimates highly the activities of the Baltic Assembly and the Baltic Council of ministers.

Estonia enjoys close and pragmatic ties with Latvia and Lithuania in all spheres of activity. The goal of this broad defence co-operation is to increase the defence capabilities of all three and to assist in the process of integration with NATO. Estonia, Latvia and Lithuania are engaged in a number of trilateral projects--the Baltic Battalion (BALTBAT); the Baltic Joint Air Surveillance Network (BALTNET); the Baltic Naval Squadron (BALTRON); and the Baltic Defence College (BALTDEFCOL). The three states have concluded a trilateral defence co-operation agreement. Moreover, all three Baltic states, alongside a number of NATO and EU member states and other countries of the region, cooperage in the Baltic Security Assistance Framework (BALTSEA), whose goal is to enhance co-ordination of defence and security assistance given to Estonia, Latvia and Lithuania.

2.4.2. Relations with the Nordics

Estonia enjoys a tradition of good relations with the Nordics—Denmark, Finland, Iceland, Norway, and Sweden, all of which have helped promote Estonia's economic progress and strengthen its defence capability. Because of their geographic proximity and historical ties, and through trade and investments, Estonia is closely tied economically with Finland and Sweden, both of which have effectively supported Estonia's, Latvia's and Lithuania's preparations for joining the EU, as has Denmark. As members of NATO, Denmark, Norway and Iceland have, for their part, provided significant political and practical support to the Baltics in their preparations to join NATO.

The co-operation between the Nordics and the Baltics is a component of the Euro-Atlantic integration process regardless of the differing choices that the Nordic states have made regarding membership in the EU and NATO. This is made possible by the long Nordic experience of co-operation and common security interests in the region. All of the Nordic states have declared their support for the security policy choices that the Baltics have made. The Nordic and Baltic states actively participate in NATO's PfP as well as NATO's peace-enhancing operations; the entire region is engaged in wide-ranging co-operation with the European Union.

Estonia's bilateral defence-related ties with Finland, Sweden, Norway and Denmark are developing according to defence co-operation agreements and annual plans.

In addition to bilateral co-operative ties, the Nordics and Baltics are developing co-operation on a variety of levels along the 5 + 3 model and in international organisations. In 1992, the Council of Baltic Sea States (CBSS) was established. Besides the Nordics and Baltics, the CBSS includes Russia, Poland, Germany and the EU representation, and in recent years has enlarged to include observers from outside the immediate region.

2.4.3. Relations with the Russian Federation

The Russian Federation is the region's sole nuclear power. Starting with the disintegration of the Soviet Union, Russian society has made remarkable progress, and has undertaken serious efforts in the name of democratic reforms and financial stability. Although the ongoing instability in Russia, including armed conflicts in and outside its borders, increases the security risk for all of Russia's neighbours, there is no direct military threat at present to the security of the Baltic Sea region.

Estonia's relations with Russia are based on a political stability that results from long years of work. In 1996 at a meeting of the foreign ministers, the two sides reached agreement on the text of a border agreement between the Republic Estonia and the Russian Federation. In 1999, the technical preparations for an agreement were concluded at the level of negotiating teams. Estonia has reiterated its readiness to sign the agreement without delay.

At present, Estonia and Russia are focusing in bilateral relations on the resolution of practical questions and on preparing for concrete agreements in the economic, social and cultural fields. In order to increase the efficacy of this work, an Intergovernmental Commission co-chaired by the Estonian Prime Minister and the Russian Deputy Prime Minister was formed in 1998. Estonia has closer ties with regions of Russia bordering on Estonia, especially at the regional and municipal level. In recent years, co-operation has developed further at the working level, primarily between border guard, customs, and police authorities as well as in the area of environmental protection. Bilateral relations are now and will, in the future, be increasingly influenced by Estonia's membership in international organisations.

Because of its proximity and the size of its market, Russia remains an important trade and transit partner for Estonia. It is in Estonia's interest to promote the establishment in Russia of the institutions that accompany a market economy, first and foremost to actively and constructively participate in Russia's process of accession to the World Trade Organisation.

In the interest of military transparency in the region, Estonia regards as important the opportunity for the mutual exchange of military information and the inspection of military units provided by the OSCE Vienna Document. Since 1997, Estonia has made use of mutual additional evaluation visits as foreseen in the Vienna Document. NATO's PfP programme provides opportunities for defence co-operation with Russia; representatives of the Russian Federation Armed Forces have been invited to observe joint exercises and manoeuvres held in the region under the auspices of the PfP.

2.5. Co-operation with international organisations

From the standpoint of Estonia's national defence and security policy, broadening support for Estonia's foreign and security policy goals is of the utmost importance. In addition to bilateral co-operation, Estonia makes use of international organisations in order to raise consciousness of partners on its vital security concerns. Estonia participates as a full member in the work of the UN, the OSCE, the Council of Europe, the CBSS, the WTO and other international organisations and maintains close ties with those organisations it wishes to join (NATO, the EU, and the OECD). Estonia's membership in those organisations implies its participation in the implementation of decisions and its demand that other members do so as well. Estonia also enjoys the opportunity to contribute in the making of decisions and the preparation of documents with an eye toward general security interests. For Estonia, taking part in the work of international organisations provides a practical means by which to bolster its security.

Estonia has been a member of the UN and the CSCE/OSCE since 1991. Within both organisations, Estonia deals with political, economic and military questions as well as those issues related to human rights and democratic freedoms. In the UN and the OSCE, Estonia participates in the establishment of broad norms and the implementation and development of principles, as well as the practicalities of conflict prevention and crisis resolution. Co-operation within the OSCE has provided Estonia with the opportunity to practice the implementation of the consensus mechanism in the most complex and sensitive of situations. Estonia participates in OSCE missions and in OSCE election supervising and monitoring missions. In the sphere of military and security co-operation, Estonia actively participates in the adaptation process of the OSCE Vienna Document. The OSCE has also made its contribution to the resolution of Estonia's problems, from the withdrawal of foreign troops to social questions.

Estonia has been a member of the Council of Europe since 1993. Estonia has signed all of the Council's--and the UN's-- major conventions and fulfils the obligations it has undertaken as a signatory. Estonia actively participates in the development and monitoring of Council norms, including the further development of existing international human rights agreements and the establishment of new treaties based on new, contemporary human rights concepts.

Estonia is a founding member of the Council of Baltic Sea States since its inception in 1992, and joined the WTO as of November 1999. Estonia has set the goal of acceding to the OECD in the near future.

2.6. Contribution to international peacekeeping and security enhancing efforts; development aid

One form of international security co-operation is peace and humanitarian operations and development co-operation. Based on the principle that security is indivisible and on the desire to contribute in a practical way to the resolution of security questions, Estonia seeks to participate, as far as its resources allow, in international joint operations backed by the norms of international law.

To participate effectively in crisis resolution demands the establishment of a national crisis management system. This system must cover the military, legal, and financial aspects of both international and domestic crises, and must define a chain of command.

Estonia has taken part in UN-sponsored peacekeeping missions UNPROFOR/UNCRO (in former Yugoslavia within the Danish contingent) and UNIFIL (in Lebanon within the Norwegian contingent,) and is currently participating in the UNTSO observer mission (in the Middle East). In addition to UN peacekeeping operations, Estonia has also taken part in NATO-led peace enforcement operations (IFOR, SFOR, KFOR) as well as the WEU Multinational Advisory Police Element in Albania (MAPE) and in the OSCE missions in Bosnia, Kosovo and Georgia.

Because international operations range from distribution of humanitarian aid to peace enforcement, states must prepare to fulfil diverse assignments. Estonia's task is to develop its capabilities to participate in peacekeeping and peace enforcement operations as well as in development co-operation and humanitarian operations. The armed forces train for assisting in peace operations, inter alia by co-operating in Baltic peacekeeping efforts and participating in relevant programmes.

Estonia's development and humanitarian assistance within international organisations as well as bilaterally is based on the Principles of Development co-operation passed by the *Riigikogu*. This document, in turn, takes guidance from the basic principles laid down for humanitarian and development aid by the major relevant international organisations (in particular the UN and the OECD). Since 1998, there has been a designated line item in the state budget for the fulfilment of Estonia's humanitarian and development projects (comprising 0.01% of GDP). An effective administrative structure must be established to support the implementation of these assistance projects.

2.7. Participation in arms control and confidence building measures

Estonia supports all security measures that are implemented in Europe as a whole. Estonia is opposed to regional measures which undermine the principle that European security is indivisible.

2.7.1. Confidence and Security Building Measures

In working out its national defence system, Estonia follows the relevant international arms control and CSBM regulations and norms. Taking part in the implementation and further development of OSCE CSBMs is one direct way for Estonia to contribute to the shaping of European military security.

Estonia meets all the requirements of the OSCE Code of Conduct and the 1999 Vienna Document. The goal of the Vienna Document is to deepen interstate military security, confidence and co-operation. The Vienna Document supplements the Conventional Forces in Europe (CFE) Treaty by creating a means for the additional exchange of information about planned and implemented military activities and by

providing an opportunity to verify exchanged information by way of mutual inspection visits. In addition, the Vienna Document regulates the possibility to hold consultations, observe military exercises and engage in other such mutual confidence building measures.

Estonia has, in recent years, begun making active use of the opportunities provided by the Vienna Document, including inspections and evaluation visits to various countries. Within the framework and spirit of the Vienna Document, all states can, on the basis of mutual interest, agree bilaterally with other states to additional measures. Estonia does not regard the development of strictly regional confidence measures to be rational, because the Baltic Sea region is adequately covered by all-European measures.

2.7.2. European arms control and the Treaty on Conventional Forces in Europe

The goal of the CFE Treaty is to increase transparency in states' military activities through limits on conventional forces, the mutual exchange of information and broad and thorough monitoring of the treaty (an important component of which are mutual inspections). Although Estonia is not a party to the CFE Treaty, Estonia's security is strongly influenced by the CFE regime and implementation.

Estonia shares the goals and principles and recognises the importance of the CFE Treaty as a cornerstone of European security and follows the CFE adaptation process closely. Estonia welcomes the preservation of the Treaty and the positive developments of the adaptation process. The adaptation process must strengthen the security of all countries, regardless of whether a given state is a signatory. When adapting the Treaty for possible future accession, all Treaty mechanisms should be kept open and applicable to all possible future parties to the Treaty. Estonia will formulate its position on accession to the CFE Treaty after the details of the adapted treaty and accession principles have been determined. Participation in the Treaty provides a state with an important opportunity to contribute to the discussion on European military questions and to influence their development while at the same time it requires a state to assume significant obligations.

Estonia continues to sign international treaties and conventions that limit the proliferation of arms, including weapons of mass destruction, inhumane weapons and so forth.

2.7.3. Disarmament and arms control

Estonia is a party to all the major disarmament treaties and non-proliferation agreements: the Treaty on Non-Proliferation of Nuclear Weapons (NPT), the Comprehensive Test-Ban-Treaty (CTBT), the Chemical Weapons Convention (CWC), and the Biological Weapons Convention (BWC). This implies the obligation of Estonia to make its contribution to the global implementation of those agreements and fulfil in a timely fashion its duties and obligations toward the non-proliferation of weapons of mass destruction.

Estonia has no weapons of mass destruction. Estonia's major task is to guard against the illicit trafficking and transit through Estonia of components used in the production of weapons of mass destruction. This requires a national export control regime and co-ordinated action among various agencies such as customs and border guard authorities and the security police. It also requires broad international co-operation, primarily in the exchange of information. Relevant international organisations and their surveillance systems that have already or are in the process of being established (such as the Wassenaar Arrangement, the Nuclear Suppliers Group, the Australia Group, the Missile Technology Control Regime) provide such opportunities for information exchange. The main task of non-proliferation policy and an export control regime is to take measures against the proliferation both of weapons and of dual-use goods and technology that could have a militarily destabilising effect and could thus endanger international security. Estonia has passed the Strategic Goods Import, Export and Transit Act that is compatible with the principles of international export control regimes and also with EU regulations and the EU's Code of Conduct on Arms Exports. In this way, domestic legislation allows Estonia to control the movement of military and dual-use goods across its border. In order to increase the effectiveness of the control mechanism, it is necessary to improve access to international information systems. This, in turn, is provided by membership in international co-operation regimes. It is of primary importance that Estonia join the Wassenaar Arrangement--which regulates the export, import and transit of dual-use goods--at the earliest opportunity. Membership would also improve the export possibilities for Estonian producers of these goods.

Estonia has also joined those bilateral and multilateral co-operation programmes (IAEA, UNEP, and others) that specifically take into account the environmental protection and security aspects involved in the illicit trafficking and stockpiling of possible components of weapons of mass destruction.

Problems associated with the illicit production and trafficking of small arms require an equally comprehensive and international approach. The UN deals with these questions on a global scale, and the OSCE as well as the EAPC handle the issues on a regional level. Estonia's aim is to participate actively in these regional and global discussions and to follow the decisions passed in these fora.

In 2000, Estonia joined the Convention on Prohibitions or Restrictions on the Use of Certain Conventional Weapons Which May be Deemed to be Excessively Injurious or to Have Indiscriminate Effects (CCW, or the so-called Geneva Convention on Certain Conventional Weapons) and its four protocols. As of 2000, Estonia also participates as an observer at the Conference on Disarmament and supports the initiatives to deal with the questions related to anti-personnel landmines. In forming its position on the comprehensive ban of anti-personnel mines, Estonia takes into account its own security options and global developments in the effective and comprehensive ban of anti-personnel mines.

3. DOMESTIC ACTIVITIES

3.1. The role of defence in ensuring security

In building up its national defence, Estonia is guided by its security policy goals. The task of a national defence is to guarantee readiness to ward off possible military threats and to defend Estonia's territorial integrity and sovereignty. For this purpose, Estonia has created and independent defence capability and conducts international co-operation. These measures must create sufficient deterrence and containment to avert aggression.

Estonia supports and shares the goals of NATO's Strategic Concept. The basis of national defence, including the development of the defence forces, is interoperability with NATO and the forces of NATO member states as well as with the EU within the framework of the European Security and Defence Policy. Estonia's direct obligation in the international security system is to build up an autonomous national defence capability. As Estonia becomes integrated into Euro-Atlantic structures, its national defence will become a part of a collective defence organisation, as per relevant agreements.

Should it prove impossible to avoid war or conflict and should there be aggression directed against the state, then according to paragraph 128 of the Constitution, the President has the power to declare a state of war, invoke mobilisation and name a Commander-in-Chief of the armed forces without waiting for the *Riigikogu*`s decision. The Estonian Defence Forces will then launch military actions aimed at restoring the territorial immunity and integrity of Estonia and to ensure sovereignty. According to procedures foreseen by law, the entire nation and all national resources will be implemented in the defence of the state. Estonia will conduct a national military defence regardless of whether the strength of the enemy is overpowering. Estonia's sovereignty is inalienable, and for that reason Estonia will not submit.

The foundation of Estonia's national defence is total defence that embraces the entire society. In integrating with international structures, total defence also supports collective defence. The state must ensure that all structures are prepared to combat danger, including by providing the armed forces, the Defence League and other militarily organised agencies and reservists with up-to-date training so as to assure their continued readiness to defend the state. The state must also provide for the rational use of all resources.

3.1.1. Estonia's defence policy

Estonia's defence policy is guided by its security policy. It seeks: to guarantee the capability of the state to combat security risks in today's security system; to support the achievement of Estonia's goals in the area of Euro-Atlantic integration; to ensure Estonia's readiness to cooperate internationally in joint peace operations and future collective defence efforts; and to provide for participation in the national crisis resolution system.

This is carried out by:

- the system of total defence embracing the whole society. This creates possibilities of credible deterrence of the would-be aggressor and thus averting and repelling aggression
- general compulsory service in armed forces
- principle of territorial defence
- building up the defence forces capable of co-operation and maintaining it in a required standard of readiness, including preparing for a possible collective defence in co-operation with NATO or as a member of NATO and military activities in conducting peace operations
- participation in international bilateral and multilateral defence co-operation

3.1.2. The role of the Estonian Defence Forces (EDF) in implementing defence policy

The EDF is the most important component of the national system of total defence aimed at repelling possible military danger. The basis for a credible military deterrent is the full development of the EDF into a contemporary force that meets requirements for readiness and military skill and is capable of internal and international co-operation. The military element of total defence is built upon the combined use of the principles of territorial defence and mobile defence, which, from the perspective of Estonia's possibilities, are the most effective means of national defence. Public resources to fulfil this end are provided by the military service system and the ongoing development of a total defence system as a whole.

The first task in fully developing the EDF is to create an independent defence capability meeting required standards. Among other elements, this includes creating the capability for co-operation with NATO and/or NATO member states' forces in future collective defence efforts as well as peace operations.

The full development of an interoperable EDF and preparations for joining NATO proceeds according to the NATO Annual National Programme. In fulfilling the programme's military and national defence primary tasks, Estonia draws, among other things, on the Partnership Goals agreed upon within the framework of NATO's PfP PARP and on elements of the PfP programme.

In addition to the direct tasks assigned to the EDF, it is necessary to increase the capability of the EDF to provide assistance, where need be, to civilian authorities, especially in fending off indirect security risks. This raises the national capability to react quickly and adequately to large-scale accidents (natural and technological catastrophes and such) and to combat their consequences. The EDF is a component of the national crisis management system.

The EDF consists of the armed forces, the volunteer-based Defence League as well as those militarily organised agencies and units subordinated to the Interior Ministry that, in time of war, are seconded to the Commander of the armed forces. The armed forces are composed of three parts: conscripts, professional military and reservists called into active duty. Under mobilisation, the greatest proportion of the armed forces consists of reservists called up for active duty. The armed forces is made up of three services: ground forces, the navy and the air force.

3.1.3. Integrating defence into the society

The Estonian Defence Forces are subordinated to democratic civil control. Estonia has established civil-military relations in accordance with the traditions of other democratic states. The principles of democratic control are defined in the Estonian Constitution and other legal acts concerning national defence. In this way, the rights, duties and responsibilities of the *Riigikogu*, the President and the Government with regard to national defence are determined.

Total defence presumes a thorough integration of national defence into society. In this context, national defence related organisations and initiatives based on voluntariness are important. The most significant of these is the Defence League, an organisation subordinated to the Ministry of Defence and a component of the Estonian Defence Forces. The Defence League, a voluntary national defence organisation set up along military lines, bears arms and engages in military training. The primary goal of the Defence League is to raise national readiness on a voluntary basis and by the citizens' own initiative to defend Estonia's independence and constitutional order. The Defence League Act foresees co-operation with police, county governments and local governments as well as with the Border Guard, the Rescue Service and fire fighters.

In the effort to raise the level of knowledge on national defence issues and to broaden the social basis for national defence, a number of organisations related to the Defence League--including the Women's Home Defence as well as the Young Eagles and Home Daughters--as well as the system for training reserve officers play an important role. On the basis of a curriculum developed jointly by the Ministry of Education and the Ministry of Defence, young people receive basic national defence-related training in secondary education and vocational training facilities.

3.2. Strengthening the rule of law and integrating national minorities

In today's Europe, democratic security is an inseparable part of national security. It is provided by functioning democratic institutions as well as the rule of law, human rights and fundamental freedoms, including respect for and defence of minority rights.

Estonia is a parliamentary democracy where the *Riigikogu*, the Government and the courts function according to the principle of the separation and balance of powers. Estonia's democratic institutions are built upon the cornerstone of general, uniform and direct elections of the *Riigikogu* that take place on a regular basis, as well as upon elections to local governments.

In the interest of strengthening the pluralistic representational democracy, it is important for Estonia in its current stage of development to assist in the political integration of non-Estonian citizens into the structures of legislative and executive powers. It is also vital to include the portion of the population that today has not yet become the citizen of any country but has expressed a desire and willingness to become a citizen of Estonia in the future.

The task of the Estonian state is to strengthen democratic institutions. The Legal Chancellor, an independent official, is responsible for monitoring that legal acts adopted by the state legislature, the executive branch and local governments are in conformity with the Constitution and other laws. The Legal Chancellor also fulfils the tasks of an Ombudsman. As such, the Legal Chancellor plays an important role in the defence of individual rights and fundamental freedoms. As a democratic state based on the rule of law, it is in Estonia's interest to further strenghten and support this role.

From the perspective of a rule of law state where laws hold supreme force, it is important to further strengthen and regulate an independent and perfectly functioning court system.

Estonia shares the understanding well rooted in today's Europe that the state must guarantee minority rights and assist the integration into society of various ethnic and social groups. The shaping of a favourable climate for integration and the implementation of an effective integration policy is one of the primary requirements for democratic security in Estonia.

The centrepiece of Estonia's integration policy is the National Integration Programme. As a whole, integration aims to create a balanced and democratically multicultural society. Two processes shape the nature of integration of Estonian society: the social harmonisation of society based on knowledge of the Estonian language and on the acquisition of Estonian citizenship, on the one hand; and on the other hand creating conditions for maintaining ethnic differences, based on the recognition of the cultural rights of ethnic minorities. The three main components of the national integration programme are linguistic-communicative integration, legal-political integration and socio-economic integration.

3.3. Bolstering the free market economy

Success in achieving security policy goals depends to a great degree on a state's economic situation. Stable economic development is one indispensable component for guaranteeing security. In this way, the state's economic policy is a significant element of security policy.

The strategic foundation of Estonia's economic policy is made up of the following documents: the national development plan, the Estonian economic development plan, the budget strategy, the IMF (economic-political) memorandum and the Government's action plan for integration with the EU.

The general goal of Estonia's economic policy is to achieve sustainable, socially and regionally balanced economic growth by raising competitiveness. Economic policy must also support minimising differences in development between Estonia and the European Union and ensure that Estonia is able to meet the required economic criteria for joining the EU.

Through the reforms carried out after independence was re-instated, Estonia has achieved macroeconomic stability and economic growth. Today, Estonia's economy is commercially and fiscally closely integrated with the EU. To ensure sustainability

and social stability, Estonia must continue structural reforms and implement macroeconomic policy measures along the principles of liberal trade and the free movement of capital. A short-term goal is to increase the competitiveness of Estonian production in markets of developed states and to harmonise legislation with the EU *acquis*.

The primary source of Estonia's economic growth is export growth. Estonia's export policy must underline the importance of stable markets in developed states and create opportunities for the support of exports.

In the name of enhancing state economic security, it is in Estonia's interest to promote diversity in economic relations. In order to achieve this, is vital that a stable economic climate hold. This would ensure that Estonia continues to be attractive to foreign capital and that an in-flow of foreign investments will continue. This, in turn, supports structural changes, raises effectiveness and stimulates the orientation toward stable markets. Co-operation with businesses to promote investments, exports, tourism, innovation and transit trade is also important, as is advancing the activities of the Enterprise Development Agency.

The primary goal of Estonia's fiscal policy remains ensuring long-term price stability which is one element of a stable economic environment. Estonia's fiscal policy is directed toward joining the European Monetary Union and adopting the Euro. The framework of Estonia's fiscal policy thus far, e.g. the currency board system and the exchange rate whereby the Estonian crown is fixed to the DM (and through it to the Euro), has supported this goal.

The primary goal of Estonia's fiscal policy for the coming years is to achieve general government budget balance and to maintain the current low level of public debt. Strict budgetary policy and a conservative approach to debt are the primary requirements for maximising the advantages of the currency board system.

It is important to address the problems of labour market in order to ensure the continuation of social stability. Furthermore, deficit of qualified labour force may in the future become a factor limiting economic growth. Estonian labour market is characterised by a structural mismatch – high unemployment and a lack of qualified labour exist simultaneously. The primary task in improving the quality of labour force lies in the development of advanced and vocational training of young employees and adults as well as in the improvement of educational system.

Infrastructure is an important determinant of the country's competitiveness. The geographical location of Estonia makes it an intermediary in East-West trade relations. Therefore, both transport and communications have an important role in Estonia's economy. Both sectors need considerable investments. In the coming years, priority in the development of infrastructure is given to cultivating free enterprise and guaranteeing free entry to the market as well as to the completion of privatisation of major infrastructure entities both in transport and in communications sector.

The state will maintain control only in a small number of major infrastructure entities and regulate and control the activity of monopolies. Estonian transport and communication legislation has to be harmonised with EU rules, regulations and

standards. The task of the government is to develop institutions that would ensure effective implementation of the legislation and exercise control functions.

In the field of transport investments will be made into railways, maritime and air transport. Investments are also directed into upgrading the transport corridors of the all-European network crossing Estonia. Priority is given to the development of East-West transit traffic.

Power industry is the most important and complicated sector that requires restructuring in the following years. According to the strategic development plan for the fuel and energy sector Estonia will continue oil shale based power production. The share of oil shale in the energy balance will continue to decrease due to the introduction of new efficient combustion technologies. The oil shale based energy system must be restructured and privatised, and oil shale mining and energy generation must be joined into a single value chain. In this process regional aspects must be taken into account to alleviate social tensions caused by the restructuring, and also environmental protection and safety aspects must be considered. The aim is to create a competitive environment on Estonian power market and ensure independence from imported energy resources to the greatest possible extent.

The aim in the development of Estonian power system is to connect Estonian electricity and gas supply systems with Western European energy networks. This will increase the overall competitiveness of the economy and ensure the security of power supply through diversity of suppliers.

3.4. Strengthening internal security

Internal security comprises two components – physical and societal. Law enforcement authorities are the leading institutions in ensuring physical security. The societal component of security includes the activities of several institutions in safeguarding the welfare and security of the society, ensuring social justice and media freedom, managing public relations and regulating the economy. Societal security is the most important prerequisite for effectively maintaining internal security.

The main tasks in ensuring physical security are the protection of public order and fight against crime, border control and guarding, maintaining the border regime, civil protection, and management of fire fighting and rescue works. The issues of data protection and ensuring the functioning of the infrastructure systems demand increasing attention.

Increasing use of electronic information technology both in public and private spheres and integration of the electronic information systems into the global information network has had a considerable positive effect. This process, though, brings about factors that increase risk of computer crimes and vulnerability of information systems. Special attention must therefore be paid to ensuring the security of government databases and registers. In the creation and development of the legal basis regulating this sphere the state must safeguard national interests, including security interests, and the constitutional rights and freedoms of individuals; the state must also ensure the effective administration of government databases and registers. The aim is to avert

with the help of legal regulation the misuse of sensitive information against the national interests of Estonia and against the rights of its citizens.

3.4.1. Maintaining law and order

The police maintains order in public places, organises and carries out traffic surveillance, receives and registers information about law infringements, implements without delay measures for preventing, obstructing and detecting crimes or other unlawful acts, conducts pre-trial investigations of crimes, imposes and enforces punishments within the limits of its competence. The aim of the police is to devote most of its time to preventing and obstructing crime, creating and developing trustful relations and co-operation with the public and instructing the population in arranging self-help activities.

Swift movement of information is one of the prerequisites of effective fight against crime. It is necessary to improve the exchange of operative information both within the country and with international organisations. In addition to the already existing link with the Interpol information system the government has set a goal to join soon the Europol and Schengen information systems.

3.4.2. The role of intelligence agencies in ensuring security

In addition to police and the defence forces, intelligence agencies have a role in ensuring national security through gathering and processing security-related information. According to the Intelligence agencies act, recently adopted by the *Riigikogu*, intelligence-related tasks are divided between two agencies – the Security police and the Intelligence Board. One of the tasks of the security agencies shall be participation in shaping security policy through pre-emptively informing of the government on developments threatening national security, with the aim of enabling the government to implement preventive measures.

The task of the Security Police is to ensure Estonia's internal security. The Security Police gathers and processes information on activities directed towards changing the constitutional order and territorial integrity by means of violence. In cases provided by law, the Security Police conducts pre-trial proceedings of criminal cases. The tasks of the Security Police include also prevention and obstruction of intelligence activities (including economic intelligence) against the country and protection of state secrets as well as struggle against terrorism and corruption.

In the struggle against international crime and terrorism it is important not only to develop the national legal basis and promote co-operation between government agencies but also to develop international co-operation. Terrorism, terrorist organisations and extremist groups are not characteristic to Estonia. Still, terrorism as a potentially destabilising factor in the society must not be ignored.

Organised crime, its involvement in money laundering and role in fostering corruption poses an even more serious problem than terrorism. The task of intelligence agencies is to prevent organised crime from penetrating into politics, civil service and local

administrations. It is important to make use of international multi- and bilateral co-operation projects in preventing cross-border crime.

Misuse of one's official position constitutes a threat to many spheres essential for the country's development and stability. Investigating corruption-related crime is divided between the Police Board and the Security Police. The priority is to uncover corruption in the law enforcement system, major local administrations and ministries. There is a solid legal basis for struggle against corruption. In addition to the work of police agencies, successful prevention of corruption depends on the internal control units of government agencies.

The tasks of the Intelligence agency will be gathering the information essential to the country's foreign, economic and defence policy that is related to foreign countries, foreign factors or activities. The Intelligence agency will also have counterintelligence functions to protect Estonia's foreign representations and Estonian military units located outside Estonia's territory. It will manage the electronic communications of government agencies and be responsible for the electronic protection of their information. Its task will also be the collection of information by electronic means (signal intelligence).

3.4.3. Guarding borders

Effective border control is one of the main tasks of an independent country. The Estonian border guard has created a border control system that is compatible with the EU regulations. Integration into Europe adds significance to border guard activities, as security of all countries will depend on the protection of the border of any single country. Estonia's eastern border will become EU's external border.

The task of the Estonian border guard is to prevent illegal crossing of the state border, ensure smooth crossing of border at border control points, ensure high quality of the border control and harmonise entirely the activities of the border guard with the EU requirements. It is also the task of the border guard to fend off the so-called new security risks like illegal migration, organised crime, terrorism, trade in narcotics, illegal weapons trade etc. The tasks of the border guard include search and rescue operations at sea and liquidation of pollution at sea. According to the legislation currently in force, Estonian border guard is a part of the Estonian Defence Forces. It is another task of the border guard to prepare the border guard units for fulfilling tasks related to defence.

3.4.4. Rescue operations

Storms, floods, and extensive forest fires are the main natural disasters threatening the Baltic Sea area. The main risks generated by human activity are transport, chemical and radiation catastrophes, major fires, accidents in mines and on mass events; and industrial emergencies with border-crossing impact.

Readiness for emergency situations is planned by means of a system of national measures; on the basis of this system, national institutions and local governments

organise and apply the measures to guarantee the readiness of the Estonian population, enterprises and institutions for emergencies caused by technogenous processes, natural disasters or armed conflicts. The organisation of rescue operations in Estonia is based on the Rescue Act, the Preparedness for Emergencies Act, Chemicals Act, Radiation Act, and legal acts issued on their basis.

It is the responsibility of the state to develop and guarantee the organisation of fire fighting and rescue operations through rescue institutions (the Rescue Board and its divisions in counties, rescue institutions in Tallinn).

For organising alarm services, a network of international co-ordination centres (MRCC – Maritime Rescue Co-ordination Centre, ARCC – Air Rescue Co-ordination Centre, RCC – Rescue Co-ordination Centre of the Rescue Board) has been established in Estonia. The European Union's common emergency number 112 has been established for receiving emergency calls from the population.

During the state of emergency declared as a result of natural disaster or catastrophe, crisis management shall be organised through crisis committees (of the Government of the Republic, the county, the city or the rural municipality respectively) and guaranteed through the alarm centres.

Considering Estonia's prospective accession to NATO, and to increase the domestic and regional security potential, the creation of a mobile and multifunctional rescue unit – the Estonian rescue team – is underway. The preparation and readiness of this team will meet the requirements presented to international rescue units participating in humanitarian and rescue operations in areas of crisis.

According to legislation, the military rescue units subordinated to the Ministry of Internal Affairs (the Single Rescue Company) are part of the Estonian Defence Forces.

The main objectives of the training and functioning of the military rescue units are: support to the rescue services in case of major disasters by means of specific technology, communications and staff, organisation of co-operation between civilian and military structures in case of emergencies, and preparation of the units for the fulfilment of tasks of national defence.

3.4.5. National Security Stockpiles

In accordance with the National Stockpiles Act, national stockpiles are the aggregate of resources, which are used in crises. The activities related to national stockpiles are co-ordinated and controlled by the government, centralising the management, establishment, administration, financing and use of the national security stockpile and undertaking operation stockpile. For this purpose, a special structural unit shall be established in the administrative area of the Ministry of Internal Affairs as the key ministry in the field of crisis management, and respective amendments shall be made in the legislation. Structures and methods of risk analysis shall be appointed as part of the crisis management system.

3.5. Healthcare policy and health risks prevention

Healthcare organisation consists of general medical care, emergency pre-hospital care (emergency aid) and special medical care, with hi-tech special medical care as its specific form. For optimising special medical care, a reorganisation of the distribution of hospitals in Estonia is planned to take place within the next 10-15 years. The planning of this hospital network also considers extreme situations. As the health care system of the defence forces functions in co-operation with civilian health care, NATO requirements for the availability of special health care are applied to the planning of hospitals network.

Emergency medical aid has been organised through alarm centres, which guarantee co-operation between different services and operational communications. For the co-ordination of medical aid on national level in case of disasters, emergencies, and states of emergency, a Centre of Catastrophe Medicine has been established. The centre's tasks are risk analysis and drafting of plans on the basis of this analysis in order to reduce the extent of the effects of catastrophes or major disasters. The objective is to achieve the hospitals' readiness in case of emergency and to guarantee psychological and social aid in emergency. In preparation for emergencies, the main partners are the national rescue service, emergency aid service, the police and the defence forces.

It is a healthcare task of the state to prevent the spreading of contagious diseases, and to liquidate threat factors in case of natural disasters and catastrophes. Measures for preventing especially dangerous contagious diseases are regulated internationally, and the measures applied in Estonia have been harmonised with international medical sanitary regulations. The Estonian Government has approved a tuberculosis control programme for the years 1998-2003 in the course of which treatment strategies will be reorganised to provide more efficient treatment and protection of the population from infection.

3.6. Agricultural policy

Agricultural policy is an important factor in ensuring domestic stability. It is the primary task of each government to ensure the supply of basic foodstuffs, using primarily domestic resources. At the same time, the tendency of production concentration and the principle of free movement of goods have resulted in a situation where emergence and spreading of crises is no longer a matter of local importance from the viewpoint of food safety.

Estonian agricultural policy is based on the Estonian Agriculture Development Strategy, approved by the Government on June 20, 2000. This strategy proceeds from agriculture's multifunctional effect on the society. In addition to orientation towards the market, also other aspects, such as production of food as a goods of strategic importance, preservation of the fertility and cultivability of land, landscape maintenance, environment protection, employment in rural areas, the role of social

stabiliser and bearer of culture, security factors, demographic relations etc, are relevant today.

3.7. Environmental policy

The environmental policy of Estonia proceeds from the following principles:

- to promote economic development towards environmental sustainability;
- to anticipate and avoid damage to the environment by dealing with the possible reasons in as early stage as possible;
- to impose environmental considerations on the development strategies of all other sectors and to take them into account in the use of every single environmental and natural resource.

The following objectives have been set:

- Stimulation of environment awareness and environment-friendly consumption patterns;
- Promotion of environment-friendly technologies;
- Reduction of the power sector's negative effect to the environment;
- Improvement of the quality of air, more efficient handling of waste and protection of the sea, surface, and subsoil waters;
- Liquidation of the pollution originating from the past (in connection with earlier industrial and military activities);
- Preservation of landscape and biological diversity;
- Improvement of living and working environment according to the need of the people and requirements of environment protection.

The Government is drawing up and implementing the Environment Protection Action Plan; the programmes of this plan take into account the environmental requirements of the European Union. From 1996, the Sustainable Development Committee chaired by the Prime Minister has been functioning.