

Based on a proposal from Prime Minister Andrus Ansip, President Toomas Hendrik Ilves signed a resolution today. Based on a proposal from Prime Minister Andrus Ansip, President Toomas Hendrik Ilves signed a resolution today to release the Social Democratic members of the current government from office: Minister of the Internal Affairs Jüri Pihl, Minister of Finance Ivari Padari, and Minister of Population Affairs Urve Palo.

In this connection, the President of the Republic issued the following statement:

“Just like many Estonians, I am also becoming increasingly concerned about the situation that has developed in our government. Presently, Estonia needs a government that can make the difficult and unpopular decisions dictated by the current situation. During the current economic crisis, the Estonian people are not interested in the coalition’s internal conflicts, their reciprocal accusations, or the mutual insults that are leaked or directed to the media. This embarrassing behaviour not only hampers the functioning of the government, but also intensifies the alienation between the people and the authorities.

This all diverts attention from fundamental matters – how to recover from this crisis, how to restore confidence in our economy, and revive the investments that are indispensable to our economy. All of us, and primarily the government, must understand that if Estonia cannot balance its expenses and income to the extent required for our entry into the euro zone, we will lose even more credibility and this can only have negative consequences.

If the old government is no longer functioning, a new one must be formed. However, in this case, the new government must truly be active and decisive. It must act on behalf of explicit objectives based on a plan of action that is clear and understandable to the people. I am sorry that the governmental crisis arose at all, since this prevents us from focusing on essentials. It also sows instability and reduces our credibility abroad. However, if the government is no longer capable, then a new and operational one is really preferable.

An operational government can only develop if it is based on a good political culture and its policies are based on realistic assumptions of their achievability. Theoretically, only a few weeks are left before the supplementary budget must be submitted. Moreover, this supplementary budget will indicate to a great extent whether we will start 2011 as a member of the euro zone or not. I believe that abandoning this objective would be inexcusable. The non-achievement of this objective would give the Government and the Prime Minister their final grade.

Speaking of political culture and realistic assumptions, I have very specific things in mind that express these values.

Firstly, if basically a new government is to be formed, along with a new coalition and coalition agreement, I believe that it is very advisable and justified that the new government get a mandate from the Riigikogu to implement this agreement. My reasoning is simple – the current government was formed on completely different bases, since the Riigikogu was elected in a totally different Estonia. I have repeatedly called on the parties in Andrus Ansip’s government to relinquish the promises made in 2007. These have become invalid today, and holding on to them hinders our recovery from the economic crisis. Therefore, it is necessary and

understandable that a recovery plan that demands great renunciations and trials by the people requires a parliamentary mandate in a country governed by representative democracy. This is also the best opportunity to present a proper, credible and achievable plan of action, without which it would be hard to imagine a new government.

Therefore, secondly, I assume that, along with its membership, the new government is also ready to submit a draft of the negative supplementary budget. Furthermore, the negative supplementary budget should include as precise a budgetary strategy as possible for 2010 and a delineation of the more important policies related to the 2011 budget. This is necessary in order to convince our citizenry that the new government is not a temporary “emergency option”, that was formed for the lack of anything better, but its foundation is solid and comprehensible to everyone.

This is also necessary in order to convince the outside world that we know what we need and know how we will achieve it. Still, objective uncertainty also exists in this regard – to date the coalition parties have talked about a negative supplementary budget that totals less than eight billion EEK; however, according to the Bank of Estonia, and essentially the IMF, this is the minimum required to keep Estonia’s finances on a sustainable path. Now is not the time to compile a negative supplementary budget based on half measures, since it would be extremely complicated to justify a third supplementary budget this year. It would also be essentially impossible to prepare it in time, considering the legal restrictions on cost policy.

In Estonia, the President does not choose which political parties will form a government coalition. The President, whose task it is to frame the common expectations of the people not the partisan expectations of political parties, can still assert that the government should be active, decisive and act on behalf of explicit objectives that are based a specific plan of action. Of course, a successful government must also be internally united.”

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