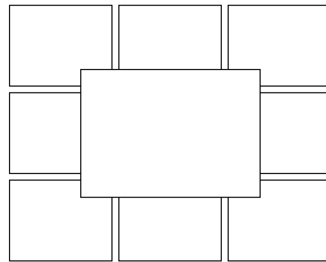
ESTONIAN HUMAN DEVELOPMENT REPORT



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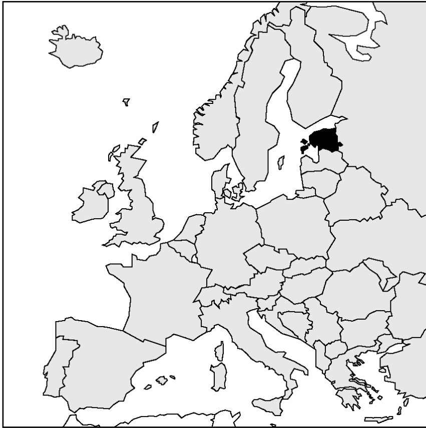
ESTONIAN HUMAN DEVELOPMENT REPORT 2001

IS ESTONIA SOCIALLY SUSTAINABLE?



General information about Estonia

Legal name:

conventional long form	Republic of Estonia
conventional short form	Estonia
local long form	Eesti Vabariik
local short form	Eesti

Area:
45,227 sq km.

Capital:
Tallinn (population 399,850, 01.01.2001).

Location:
Estonia lies on the eastern shores of the Baltic Sea. Estonia is situated on the level north-western part of the East European platform, on which there are only slight variations in elevation. The elevation in south-eastern and eastern Estonia is higher than in western Estonia. The highest point (Suur Munamägi) is 318 m above sea level. Estonia has over 1,500 islands and more than 1,400 lakes.

Population:
1,366,723 (by preliminary Census data, on 1 January 2001).

Ethnic divisions:
Estonian 65,3%, Russian 28,1%, Ukrainian 2,5%, Belarussian 1,5%, Finnish 0,9%, other 1,7% (01.01.2000)

Religious denominations:
Lutheran, Orthodox, Baptist, and others.

Languages:
Estonian (official), Russian, and others.

State independence regained:
August 20, 1991.

Independence Day:
February 24.

Constitution, adopted by referendum:
June 28, 1992.

State system:
The Constitution established the principles of the rule of law. It recognises the principle of separate and balanced powers, the independence of the courts, and guarantees of fundamental human rights and liberties according to universally recognised principles and norms. Estonia is a democratic parliamentary republic wherein the supreme power is vested in the people. The people exercise the supreme power, through citizens who have the right to vote by electing the Riigikogu – State Assembly (parliament) and by participating in referendums. The Riigikogu is comprised of one hundred and one members. Executive power rests with the Government. The head of State of Estonia is the President of the Republic.

Administrative divisions:
Estonia is divided into 15 counties, 205 rural municipalities, and 42 towns.

Currency:
National currency is the Estonian kroon (1 kroon = 100 sent). The kroon was issued on June 20, 1992 and is pegged to the German mark at the rate 1 DEM = 8 EEK. 1 EUR = 15,64 EEK.

Member of United Nations:
September 17, 1991.

Member of the Council of Europe:
May, 1993.

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Contents

INTRODUCTION:

Introduction to the Estonian Human Development Report 2001: Is Estonia Socially Sustainable? 8

HUMAN DEVELOPMENT INDEX:

Estonian Human Development Index 13

Chapter 1
NATURE CONSERVATION, SOCIAL CAPITAL AND THE STATE 16

1.1 The role of social capital In Estonia today 16
1.2 The qualifications of Estonian politicians 19
1.3 How will accession to the European Union influence Estonia's development? 23
1.4 The impact of EU integration on Estonia's social cohesion 26
1.5 The sustainability of nature as a precondition for the sustainability of society 30
1.6 There is no alternative to the sustainable use of resources 33

Chapter 2
SOCIAL PROBLEM AREAS IN ESTONIAN SOCIETY 36

2.1 Estonian family policy in the European context 36
2.2 The aging society: how senior citizens live and cope 40
2.3 Suicides in Estonia, 1970–2000 42
2.4 Penal policy in Estonia, 1991–2000 46
2.5 Opportunities in Estonian society for the Russian-speaking young people of Ida-Virumaa 50

Chapter 3
THE LABOUR MARKET AND EDUCATION AS THE BASIS FOR SOCIAL SUSTAINABILITY 54

3.1 Utilizing educational potential on the Estonian labour market 54
3.2 Outsiders in the Estonian labour market: a challenge for the individual or for society? 60
3.3 Different generations in the labour market: conflict, competition or withdrawal? 63
3.4 Contradiction between society and school 68

Chapter 4
CIVIL SOCIETY, CULTURE AND IDENTITY: WILL ESTONIA SURVIVE? 72

4.1 Civil society and a sustainable Estonia 72
4.2 Non-governmental organizations and sustainability 74
4.3 Qualitative study on the social capital of Albu and Kabala municipalities 77
4.4 Estonian society carried by the tide of western consumer culture 80
4.5 Will the e-state ensure Estonia's future existence? 84
4.6 The identity of Estonians and *cairos* 86

Human development indicators 89

Introduction to the Estonian Human Development Report 2001: Is Estonia Socially Sustainable?

You are now holding the seventh Estonian Human Development Report, which has been completed with the financial support of the Open Estonia Foundation, the Estonian Ministry of Education and the UN Development Programme. This series of reports, initiated by the UNDP in 1995, has become an essential publication mapping the key problems of Estonian society, offering both extensive statistics as well as analyses and forecasts. Today we are able to say that this established tradition is continuing despite the departure from Estonia at the end of 2000 of the project's initiator and primary financer. The report's authors are once again leading Estonian social scientists, and the project has been carried out by the Tallinn Pedagogical University Institute for International and Social Studies.

Global context

The present report, in the context of comparisons with other countries, could be said to contain two items of news about Estonia. The good news is that Estonia's place among countries with a high human development has been consolidated. Whereas last year we held 46th place among the countries of the world, then this year we are 44th (Human Development Report, 2001). The rise in the Estonian human development index is due to the increase of the country's GDP *per capita*, which in comparative prices is now 8355 US dollars. However, the bad news is that to a certain extent the good news is misleading. In fact, the human development index is an aggregate indicator that inevitably remains superficial, hiding very serious social problems. According to several important indicators of human development (e.g. life expectancy), Estonia still belongs to the developing countries category.

The general theme of the present report is Estonia's *social sustainability*. Six months ago, when wording the conceptual basis for this collection of articles, the sustainability notion was taken in the most direct sense, asking the question: *Will Estonia be able to survive?* Positioning the problem in this way was quite deliberate, and the events of autumn 2001 have added another dramatic dimension. The attacks of September 11 against the lifeblood of the most powerful country in the world jeopardise not only the USA but in fact every country. 'Life will never be the same again' — this sentence which has been repeated so many times over recent months reflects not only the depth of such a new challenge but also the need for a new and more sustainable state of global equilibrium.

We live in a transition era where many of the former state functions have been replaced by the market, where traditions have been replaced by modernity, and the local has been replaced by the global (Goldman, 1998). It is in the nodes of such processes that cataclysms occur, which in turn puts survival in doubt. When left to themselves, many of these processes that have emerged as a result of the crossing of the old and the new will work directly against social sustainability. When merely a century ago the income per inhabitant in the richest country in the world was about nine times higher than in the poorest country, the difference now has become hundredfold. One per cent of the richest people in the world have an income that equals that of 57% of poorer countries, and this gap is continuously widening. Today 1.2 billion people live with an income under 1 US dollar per day and approximately 2.8 billion people with less than 2 US dollars a day (Human Development Report, 2001).

Estonian human development should be considered in the context of global processes. We are undergoing a similar development, but on a different scale. We are threatened by similar dangers, to which an answer should be found here and now. Such an answer should contain definitions of a sustainable state of equilibrium between policy-making strategy and tactics, economic growth and social cohesion, and between cultural unity and multiculturalism.

This report makes no attempt to present definitive truths, it rather invites the reader to use the material for further thought. The authors of the collection hope that the report's analyses will be of interest not only to scholars and policy-makers, but also to a wider public, contributing to a more competent public debate about the problems of Estonian society and the possible solutions.

The concept of social sustainability

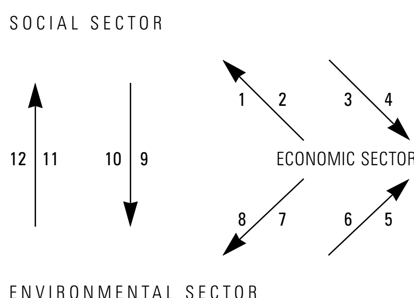
How to define social sustainability? The broadest definition of sustainability is based on a formal sectorial division: sustainability presumes a balanced cohesion between economic growth, environmental protection and society. Such wording is used for instance in a definition suggested by the European Commission (A Sustainable Europe for a Better World, 2000).

Since the activities and policies of all three sectors may have both a positive and negative influence on the other sectors (for instance, giving up oil shale energy would solve an important environmental problem — currently Estonia exceeds its CO_2 environmental space nearly eightfold — but this would also, with a high probability, result in social upheaval in Ida-Virumaa county), the determination of a state of equilibrium is an optimisation exercise with twelve basic factors (including a large number of sub-factors) (see Figure 1). To simplify such a complicated problem, sustainability should also be defined through principles of content.

At a conceptual level, the paradigm of sustainability binds two principles of action that, in a sense, are contradictory — the principles of keeping in mind the whole picture, and that of supporting diversity. Let us take the example of the relationship between humans and nature. Human beings are a part of nature, but it is a part whose activities have become a threat to the other parts of nature and, in the final analysis, to human beings themselves. Consequently, sustainability presumes a holistic consideration of living nature, and, when needed, placing restraint on its separate parts (see 1.5). On the other hand, supporting the very diversity of the parts is essential for sustainability and, if necessary, there should be protection from hegemonic tendencies. This holds true not only for nature, but also for society and its culture. Diversity and difference are not ornamental luxuries, but one of the main mechanisms for the adaptation of species and cultures.

In this collection, social sustainability is interpreted according to the above logic. On the one hand, it presumes taking account of the interests and the functioning logic of society as a whole, which, among other things, requires policies aimed at balancing the opportunities and responsibilities of individuals and groups. On the other hand, social sustainability presumes activities that support processes ensuring societal and cultural diversity. The paradigm of social sustainability can be further described through a number of combinations of concepts on a lower level of abstraction, such as social cohesion and individuality, cohesion of identity and plurality, participation in politics and a functioning civil society.

FIGURE 1.



Social cohesion presumes that society is not merely a conglomerate of individuals, but a certain entity where the parts share a reasonably large commonality of interests. This does not imply the absence of contradictions or even conflicts between groups or individuals, but the integration of different parts of society into an entity, in a way where differences do not disappear, but develop into a broader unity. The broader unity thus formed contains both conflicts and common interests, with the latter being dominant. In Estonia today, strengthening social cohesion encompasses the problems of stratification in society and poverty, the relations between ethnic groups, the differences between generations, the reduction of gender inequality. Very serious problems of social cohesion result from the rapid population decrease, from alcoholism, the high level of criminality, etc.

Unification accompanying globalization is, to a certain extent and in certain periods, an important mechanism for development. The rapid economic and technological development in Estonia during the last ten years is also, to a great extent, based on following global trends. However, in education and culture, for instance, unification often tends to mean a decrease in opportunities for choice, and is thus a waste of resources. For small countries, the maintenance of cultural diversity is not only a pragmatic but also an existential issue. Therefore, it is important to analyse which social mechanisms strengthen or weaken this, and how it can be influenced through state policy.

Social sustainability presumes that people themselves are interested and participate in solving the problems of society. A strong civil society is a resource that many futurologists see as the key for resolving the social problems of the 21st century (Rifkin, 1998). A wide gap between the periphery and the centre, under-investment in human capital, an increase in the number of social dropouts and unemployment becoming a way of life — these all presume that, in addition to traditional policies (investments, increase in policing, etc.), there will also be developmental resources coming from society and from people themselves (see 4.1). The structural particu-

larity of a civil society is indeed that it on the one hand ensures the unity of society (by increasing social capital), but on the other hand it also channels individual activity and social diversity which add internal sustainability to the unity.

The problem of cohesion

Social cohesion is strongly influenced by the possibilities or limitations of the use of human potential resulting from the institutional functioning of society. For instance, market mechanisms are important motivators of human activity, but at the same time the resulting economic inequality decreases the effectiveness of the use of human resources (Middleton, 2001). This slows down economic growth because the productive potential of the poor simply remains unused. Comparative studies show that the economy of countries with greater equality grows more quickly, and that their growth trend is more stable. For instance, over the last 30 years, the economic growth of East Asia's relatively egalitarian countries has been about three times more rapid than that of Latin American countries where the inequality level is very high (Mack, 2001).

How much human resource is lost from normal societal processes in Estonia, due to poverty, alcoholism or interrupted education? The number of young people in Estonia without basic education increases, according to statistics, by more than 1000 every year. If one-fifth of children do not even finish primary school (see 3.4), then what are the chances for young people such as these on the labour market, where employment has decreased by a quarter during the decade, and unemployment affects every 15th inhabitant of Estonia (see 3.2)?

The dynamics of social non-sustainability related to the labour market is illustrated by the fact that only 17.7% of those who become unemployed emerge from unemployment within the year. As a comparison, in the European Union every third unemployed person, on average, finds a job within 12 months (see 3.2). How then to explain the fact that, despite the gravity of the problem, Estonian labour market policies are still oriented mainly towards passive labour market measures, and that only 0.24% of GDP was spent on labour market policies in 2000 (in the European Union, 3–4% of GDP is spent on labour market policies)?

The emerging problems are magnified by the mismatch of education and labour market demand. The quantitative indicators for the formal education of the Estonian population are notably high — for instance, more than 60% of upper-secondary school graduates continue their studies at university (Haridus 2000/2001). At the same time, since the supply of specialists with higher education exceeds the demand for corresponding jobs, there is a real danger of brain-drain, which will further decrease the already meagre human resources (see 3.1).

Probably the biggest waste of human resources in Estonia is related to the ethnic factor, because the effects related to stratification, labour market and educational opportunities have been especially negative for non-ethnic Estonians. Currently, the unemployment rate among ethnic Estonians is 10%, and for non-ethnic Estonians it is 17%. Comparison between different age groups shows that the most vulnerable are the younger non-ethnic Estonian age groups with general secondary or vocational education. Their unemployment risk is over twice as high as that of Estonians in the same age group. Non-ethnic Estonian youth also have more difficulties in continuing their studies in higher education, because of insufficient Estonian language skills. As a result of ethnic-related structural inequality, various kinds of anti-social behaviour have been more widespread among non-ethnic Estonians. According to data from the AIDS Prevention Centre, for example, the main heroin users (80%) are Russian-speaking men aged between 15 and 25 (Uimastite ja HIV/AIDSi leviku ennetamise strateegia, 2001).

The problem of immunity

Diversity and differences, as mechanisms for the cultural sustainability of society, function on the level of deeply-rooted identity structures. One of their basic elements is us-them opposition, and the accompanying creation of self-awareness for the culture. Such opposition operates through a semiotic boundary which fulfils two main functions — ensuring communication between us-them and filtering the information coming from 'them' into a form suitable for 'us'. A culture is viable only when both functions of its semiotic boundary are operating — communication is needed in order to orient oneself in an environment, but the filter is needed in order to preserve individuality. Such a filter may be interpreted similarly to the immune system of living organisms, where the function is to protect the organism against 'foreign' genetic information. The cultural protection filter of a society, similarly to the immune systems of organisms, contains 'antibodies' whose task is to soften the influence of 'them'.

How does Estonian culture's immune system function in this rapidly globalizing world? In section 4.4 of this report, the changes in consumption culture are analysed, with the conclusion drawn that the negative experiences from the soviet times favour the weakening of cultural opposition by Estonians regarding western consumption culture and the advertising machine of multinationals. Opposition to the pressure of soviet rule was expressed

not only through direct opposition, but also by identifying oneself with western models and dreams about the world of western consumption. This created a favourable environment for accepting anything western, because the market economy, consumption and democracy seemed to be one and the same (see 4.4). It may be claimed that soviet rule, on the one hand, preserved the communal national awareness of Estonians, but on the other hand, weakened the 'antibodies' needed for the survival of their culture in a globalizing world.

This is a problem typical for small nations, where opposition to an important 'other' is carried out through a so-called important 'third one'. In order to understand the working mechanisms of Estonian identity, two different relationships should indeed be considered, whereby, throughout history, 'not ours' has been either 'east' or 'west'. According to the situation, these two have been played out against each other in order to create cultural self-awareness — whereas previously the Russian element was used by some Estonian groupings to counterbalance the then dominating German influence, then now the excessive Russian influence is being balanced by emphasized europeanness. The latter is a mechanism for tearing loose from the soviet past, but it also contains dangers. Over-emphasizing one or other function of the semiotic boundary, and thereby unbalancing the basic mechanisms of culture, weakens considerably the self-awareness of 'us' and the sustainability of culture.

The resistance of the immune system of a culture is determined by its 'genetic code', which is expressed through its cultural norms. But over-emphasizing that function through which the semiotic boundary relates to the outside, means that cultural norms are bound more to the important 'third one' than to 'us'. As a result, national awareness is split (cf. Lotman, 1982), because although the cultural norm originating from the outside is set higher than the one for 'us', certain internal identity mechanisms (traditions, trust, value system) may successfully function only through the genetic base for 'us'. Weakening the latter decreases culture's resistance to 'foreign elements' and raises questions regarding its sustainability.

Setting a cultural norm outside oneself also hinders significantly the internal functioning of the culture, primarily in the way that social reality is construed and through this, the resolution of actual conflicts within society. Uncompromising opposition to the 'other' creates a black-and-white worldview, where history is simplified into a struggle between good and evil, and the 'other' is the embodiment of evil. If the imperative of the globalizing world is to change the 'other' into a resource, then in such a social environment it will remain merely a source of problems and fear.

In Estonia, the abovementioned identity mechanism is widespread. It is based on the depth of historical trauma and expresses an attempt to break loose completely from the recent past, at any price. The last ten years in the development of our self-awareness may be characterised as a period of explosion, and in order to cope, two strategies are possible. Using the terminology of Yuri Lotman, these are the binary or ternary strategies (Lotman, 2001). The latter characterises western European societies, which have managed to remain themselves even during social cataclysms and to preserve their 'genetic' code. Lotman, in this connection, refers to Karamzin: even during the Jacobin dictatorship, when passions reigned in the National Assembly, the Palais-Royal part of the city continued its joyful life distant from politics (Lotman, 2001). But the binary approach characterises, for instance, Russia, where all revolutions have tried to throw the previous period into the wastebasket of history, completely and unconditionally, and to create an absolutely new world. The functioning mechanism of Estonia's self-awareness is somewhere between the ternary and binary attitudes — we want to belong to the western cultural space, but we go from one extreme to another, in a non-western way. The world, to us, is divided into good and evil, and we do not notice any intermediate shades.

The function of an immune system that protects self-awareness is indeed to avoid such extremes. With a sufficiently strong immunity it would become apparent that neither in Russia nor in the West are there things which deserve to copied blindly. The western attitude from the cold war period had a black-and-white model for communication with Russia, for ideological reasons. We stick to this even when the western strategy has changed, and it is now partnership that is being sought. We do not notice changes taking place in the bigger plane, but we keep on looking out for ghosts.

One of the examples of such an attitude is the unqualified acceptance of the conflict of civilizations theory in the realm of public debate in Estonia during recent years. In connection with the terrorist attacks in the US, this is again topical, although Samuel Huntington, the author of the theory, denies that these events are a conflict of civilizations (Steinberger, 2001). Estonia is situated indeed on the border between two civilizations. But civilizations do not form monolithic blocks. The only survival strategy for Estonia is to see that both blocks are internally fragmented, and efforts should be made to encourage coalitions between different parts of the blocks. We should not be opposed to Russia as a whole because we have friends even there. We cannot adopt everything western because even there there are things foreign to us. A middle way is needed, and this was already referred to by Oskar Loorits (Loorits, 1937) and Rein Taagepera

(Taagepera, 1995). The middle way is a recipe for both cultural sustainability and as a political strategy.

The idea of sustainable equilibrium as used in this study is generalised by the message contained in the work of art on the cover of the report. On the one hand we need ideals, symbolised by purity, because it 'launches processes essential for the individual' (Ene-Liis Semper, 2001). At the same time, viable culture may be created only in contact with the 'other', and by developing further one's own immune system. Sustainable culture cannot remain sterile nor completely open. The dynamics of 'Licked-clean Space' represent an intersection between internal purity and the external 'other'. The artist enhances real life, but also hints that one has to learn to live with imperfection. On consideration, this really is the only possibility (cf. Camus, 1989).

The biggest enemy of Estonian social and cultural sustainability is one-sidedness. The unbalanced semiotic boundary that shapes our self-awareness has weakened the functioning of our cultural protection filter, so there is reason to speak of an immune deficiency syndrome for Estonian culture (Saar, 2000; Parts, 2000).

The only survival strategy for Estonia is the protection of its own 'genetic code' and the preservation of its characteristic features. Therefore sustainability presumes consideration of the principles of the whole and of diversity, as well as the skills to find the middle way between them. The ancient Greeks symbolised this skill with the word '*cairos*'. The Estonian Human Development Report 2001 endeavours to contribute to catching this *cairos*.

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Estonian Human Development Index

In the previous report, the high level achieved by Estonia (46th place, index value 0.801) has, on the basis of 1999 statistics, risen an additional two places and brought the index up to 0.812. This is very close to the prediction (0.814) which was made in the previous Human Development report for Estonia. Adequate statistics are not available for making a new prediction, but significant changes which would allow Estonia to overtake, for example, Poland, Hungary, or Slovakia (0.828; 0.829; 0.831), not to mention the Czech Republic or Slovenia (0.844; 0.874), cannot be expected.

The human development index surprise states are Lithuania, which also fits into the high bracket of human development (47th; 0.803) and Latvia (50th; 0.791) which has reached the threshold. Both of them can be differentiated from Estonia basically by their poorer economic conditions, which are nevertheless clearly improving. The background to Estonia's rise, as well as its relation to other states given their changed statistics, requires separate analysis. The question is whether education's downhill slide, where basic education remains but a dream for up to one-fifth of the student population, is even now arresting the possibility of any further rise in Estonia's human development index?

The highly aggregated indicators gathered in Table 1 which show economic growth and an increase in life

TABLE 1.

Components of Estonia's human development index based on data for 1997, 1998, and 1999

	GDP per capita, in PPP USD	Life expectancy, at birth, years	Adult literacy rate, %	Total enrolment ratio of ages 6-23 , %
1997	5240	68.7	99.0	81.0
Subindex value	0.66	0.73	0.93	
IAI 1999				**0.773**
1998	7,682	69.0	99.0	86.0
Subindex value	0.72	0.73	0.95	
IAI 2000				**0.801**
1999	8,355	70.3	98.0	86.0
Subindex value	0.74	0.76	0.94	
IAI 2001				**0.812**

TABLE 2.

Estonian human development index comparisons

	GDP per capita, in PPP USD	Life expectancy, at birth, years	Adult literacy rate, %	Total enrolment ratio of ages 6-23 , %
Estonia 1999	8,355	70.3	98.0	86.0
High human development group average, 1999	23,410	77.3	98.8	91.0
Maximum in 1999	31,872 USA	80.8 Japan	99.0 OECD	116.0 Australia
Estonia's index as % of the group's average	35.7%	90.9%	99.2%	94.5%

TABLE 3.

Human development in a world context
Human development index in some countries of the world – UNDP 2001

Countries rated according to the human development index	Life expectancy at birth (years), 1999	Adult literacy rate (%) 1999	Real GDP per capita (purchasing power, USD), 1999	Human development index 1999	Real GDP per capita rank minus HDI rank
Countries with high human development	77.3	...	23,410	0.914	–
1. Norway	78.4	...	28,433	0.939	2
2. Australia	78.8	...	24,574	0.936	10
3. Canada	78.7	...	26,251	0,936	3
4. Sweden	79.6	...	22,636	0.936	13
5. Belgium	78.2	...	25,443	0.935	4
6. USA	76.8	...	31,872	0.934	–4
7. Iceland	79.1	...	27,835	0.932	–3
8. Netherlands	78.0	...	24,215	0.931	5
9. Japan	80.8	...	24,898	0.928	2
10. Finland	77.4	...	23,096	0.925	5
11. Switzerland	78.8	...	27,171	0.924	–6
12. Luxemburg	77.2	...	42,769	0.924	–11
13. France	78.4	...	22,897	0.924	3
14. United Kingdom	77.5	...	22,093	0.923	5
15. Denmark	76.1	...	25,869	0.921	–7
....	...	...	...	...	...
29. Slovenia	75.3	99.6	15,977	0.874	2
....	...	...	...	...	...
33. Czech Republic	74.7	...	13,018	0.844	6
....	...	...	...	...	...
35. Slovakia	73.1	...	10,591	0.831	8
36. Hungary	71.1	99.3	11,430	0.829	5
....	...	...	...	...	...
38. Poland	73.1	99.7	8,450	0.828	11
....	...	...	...	...	...
44. Estonia	**70.3**	**98.0**	**8,355**	**0.812**	**6**
....	...	...	...	...	...
47. Lithuania	71.8	99.5	6,656	0.803	13
....	...	...	...	...	...
Countries with average human development	66.8	78.5	3,850	0.684	–
....	...	...	...	...	...
50. Latvia	70.1	99.8	6,264	0.791	12
....	...	...	...	...	...
55. Russian Fed.	66.1	99.5	7,473	0.775	0
....	...	...	...	...	...
Countries with low-human development	52.6	48.9	1,200	0.442	–
....	...	...	...	...	...
162. Sierra Leone	38.3	32.0	448	0.258	0

Source: *Human Development Report 2001.*

expectancy are cause for joy, yet at the same time a decline in the literacy rate and the stagnation in the numbers of students is a cause for concern. This is a clear danger signal, that in a world which emphasizes sustainability particularly due to education, Estonia could be left on the periphery of the developed world.

In order to place Estonia in the context of the developed countries of the world, Estonia's indicators are compared with the averages and peaks of the states in the high group of human development (48 states). As is evident from Table 2, Estonia falls below the other states mostly because of the level of its economy, which is only about one-third of the group's average.

The fact that Estonia could be placed higher on a technological development index than on the human development index, is more likely to show the level of previous efforts than current and future development. This is because innovative approaches have not been achieved in Estonia in this area: approaches which have been used elsewhere have been imitated and adapted without any internal creative impulse. Thus, the human development index, and the varied group of indicators accompanying it, is not just a tiding of good news for Estonia, but also an echo of discord and dissonance (from the proliferation of crime to the brittleness of social harmony).

1 Nature Conservation, Social Capital and the State

1.1. The role of social capital In Estonia today

Articles written about eastern European states frequently touch upon the theme of social capital, but more frequently the theme has been approached from the concept of social capital on the societal level, as was done, for example, by Putnam and his colleagues (Putnam, 1993; 1995). According to Putnam, states or regions which are rich in social capital are characterized by the active participation of their inhabitants in social life and the solution of societal problems, by the horizontal networks which are constructed according to the principle of mutual help and support, and by the prevailing high level of trust in the society.

Social capital can also be handled on an instrumental-analytical level as was done, for example, by Bourdieu (1986) who approached the theme from the viewpoint of the individual and his/her opportunities, which are dependent upon a definite network to which the individual belongs and the creation of which he/she has assisted in one way or another. If, on the macro level, all of society's members receive a part of the social capital, then on an individual level the benefit is conferred upon the given individual or on the more narrow network of which he/she is a member. Bourdieu shows how an individual's ability to cope and progress is to a great extent determined by just such a social network. In other words, the *right* heritage and relatives, meaning social capital which has been received from the moment of birth, but also the *right* friends, acquaintances and, why not, even the *right* political party or cocktail parties in the *right* company, may be determinative of the formation of a person's trajectory in life. Mutual trust, responsibilities and norms are valid in that case mainly within the network or in the so called *personal community* (Wellmann, 1990) to which those persons belong. Moreover, trust is frequently the element which holds the network or community together. The effectiveness of an individual's social capital is dependent upon the extensiveness of the network to which he belongs, what resources can be found within it and to what extent the specific individual has access to those resources.

Social activity, trust and confidence

As already stated, social capital is assessed at the macro level on the basis of social activity, the resulting informal networks, and social trust. The time in Estonia of the extremely high level of social activity demonstrated by very diverse population groups during the 'singing revolution' is now over. It can be claimed that, according to numerous population surveys, the social problems of today are clearly perceived both by ethnic Estonians and non-Estonians (Figure 1.1), but the number of people who are willing to become actively involved in trying to find solutions to these problems is low. According to the population survey "Eesti 98" conducted in 1998, only 6–7% of the respondents claimed that they had made their opinion known to newspapers, radio, television or local government bodies. On the one hand, the sharp decline in activity at the beginning of the 1990s may be explained by the serious economic difficulties of the time which caused people to concentrate on ensuring the family's basic daily needs.

On the other hand, the decline in social activity may be explained by the stabilization of society, and clarification regarding the responsibilities held by the state which had recently re-established its independence, where the making of policy was left to professional politicians and the active participation of a wider segment of society in daily politics was no longer considered necessary. It also started to become increasingly clear that participation was meaningless because at the decision-making level not only the opinion of the general public at large, but also the opinion of researchers and specialists, was often left unnoticed. According to the "Eesti 98" population survey, only 3% of the adult population participated in one way or another in politics, 12% did not participate but would have liked to, and 85% did not participate nor did they wish to do so. Whereas, for example, in 1988–1991, 72% of ethnic Estonians and 46% of non-Estonians had added their signatures to various petitions with political demands (the retrospective statistics are based on the "Eesti 93" population surveys), then by 1993 their share had declined to 10–11% and by 1998 to 3–4%.

Alongside the decline in political activity, which to some extent was to be expected, participation in voluntary associations and organizations — the primary source for consolidating Estonians during the 1980s — surprisingly also declined. Based on the 1998 population survey, 85% of Estonians and 92% of non-ethnic Estonians did not

participate actively in the work of any voluntary association, club or society. The share of workers who belonged to trade unions also declined and only 1–2% belonged to political parties. Similar results to those obtained in the "Eesti 98" survey were also obtained in other surveys conducted in the 1990s (see, for example, Ruutsoo 1999; Antila, Ylöstalo, 1999, and others).

The decline in social activity in the 1990s was accompanied by a decrease in social trust. In society, social trust (Fukuyama, 1995; Warren, 1999) can be spoken of on two levels — horizontal and vertical. On the one hand, this shows whether there is prevailing trust between the differing social groups among the population, and on the other hand whether the people have confidence in the political elite and whether they, in turn, trust their own people.

Currently, there are two breakdowns in trust that have occurred in Estonia. According to public opinion surveys, the ratings of the Riigikogu (parliament) and the government have declined among the population, which shows that belief in the political elite and the leaders elected by the people themselves, to the extent that the current election system permits the election of any one person, is crumbling. At the end of 2000, only one-third of the population had confidence in the Riigikogu and the government (see, for example, Eesti Päevaleht, June 20, 2001).

At the same time, one can speak of the relatively low level of trust on the horizontal level, meaning the lack of trust and the opposition between different social groups. Alongside a certain amount of traditional mistrust between ethnic Estonians and non-ethnic Estonians (which is on the decline if we compare the statistics contained in "Eesti 93" and "Eesti 98" surveys!), gaps have developed within both ethnic groups due to the rapid stratification based on wealth and the resulting different lifestyles. Unfortunately, an increase in mistrust has been 'pre-programmed' into many reforms — e.g. the privatisation of state assets and property reform, with the resulting landlord-tenant problems. With regard to the relationships between the political elite of the different factions and interest groups, then it appears that the situation is far from mutual trust. Beside the low level of social activity, the general lack of social trust is a clear indicator of the fact that there is something essentially out of order with social capital in Estonia.

Individual social capital

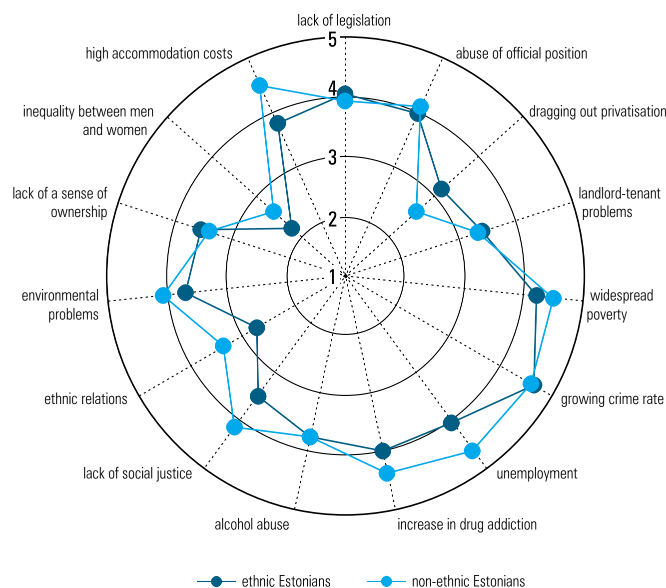
Despite the description above, however, it should not be concluded that people living in Estonia today live in an atmosphere of total mistrust, or that social capital in Estonian circumstances is an alien phenomenon. Although in a certain sense withdrawn from active social life, a large segment of the population lives and is active in smaller informal social networks or personal groupings. From the moment a person is born, he or she joins a network based on kinship ties. Throughout one's life, this network is supplemented and extended by both structural or so-called presented segments (for example, networks related to studies, employment and job-title) and also on a voluntary basis (for example, groups of friends, and acquaintances met whilst pursuing hobbies and other activities). As a result, it is a unique small community that finally develops. An entirely independent category is formed by networks or parts of networks that have been constructed for primarily instrumental purposes — the most typical example of which are the networks of Soviet-era 'acquaintances', i.e. networks which were characteristic of a deficiency ridden society for the purpose of obtaining the goods and services necessary for everyday survival.

An individual plays a major part in forming his or her own informal network. The network usually attempts to quickly rid itself of members who are aggravating, overly demanding or in some other way unpleasant and, with the exception of the previously mentioned instrumental ties, then the network consists for the most part of people who share the same norms and attitudes toward life and who are also united by mutual trust and a moral obligation to support and help one another. Belonging to such a network is, from the viewpoint of the individual, a considerable social capital, which, on the one hand may help him or her to overcome potential difficulties and risks and, on the other hand, may help him or her to climb higher on the social ladder and achieve success. Unlike social support

FIGURE 1.1.

The perception of social problems among ethnic Estonians and non-ethnic Estonians, average of the evaluations on a 5-point scale (5 = very important ... 1 = not important at all)

Source: Population Survey "Eesti 98".



networks, what is important in the case of social capital is not how much assistance has actually been received from the network, but the knowledge that in a crisis situation one can always turn to one's own network for support.

From network studies conducted in the second half of the 1990s, it became clear that, as in the case of other forms of capital, social capital is also distributed unevenly among different social groups. Just as the network acquired at birth may vary widely, so do the opportunities for building and forming a personal network for people belonging to certain social groups. Various studies of informal networks have shown that networks are mostly homogenous, consisting primarily of people who belong to the same or very similar social groups. From this it follows that the resources within networks, and their capacity to assist and support people when needed, are quite varied. A social network of a poorly educated (= low cultural capital) unemployed person may indeed offer emotional support, but in looking for a new job it would probably be able to offer significantly less assistance than would the network of a person with higher education who actively participates in community life.

The network we all brought with us when Estonia re-established its independence was one which had originated and developed in the previous system. The aforementioned study of informal networks showed that the extensive socio-economic changes which took place in the 1990s also did not leave untouched the somewhat intimate domain of personal networks, especially the so-called structural part of these networks. One example would be the networks formed on the basis of the workplace. During the soviet period, in addition to guaranteeing work and income, the workplace was called upon to fill a wider social role. The economic restructuring which took place in the first half of the 1990s brought about the liquidation of not only enterprises but also entire production sectors, and resulted in extensive mobility between workplaces and occupations, including non-voluntary job changes. In speaking of the changes which occurred in the structure of the labour market and its associated difficulties, the disintegration of the non-formal networks in the workplace is generally completely forgotten. Also, competition in the labour market and heightened occupational requirements often created uncertainty and a certain atmosphere of mistrust even among people who had retained their jobs, and this, in turn, made the existing network ties more brittle. Since the formation of a new network takes time, disintegration of an existing network often meant the loss of social capital which had taken years to accumulate.

The rapid stratification of society based on material wealth also had an effect on informal networks, leaving in confusion what had previously been relatively stable network structures. The networks began a process of reorganization, changing their composition according to education, status, economic situation, but frequently also in accordance with political party membership or preference, and thereby becoming more homogenous. In developed western states, participation in voluntary organizations, interest groups, etc., is considered an opportunity to help extend the parameters of the networks and to include people belonging to other social groups. In the case of Estonia, this rule does not apply, on the one hand because of the generally low level of societal activity, and on the other hand because belonging to a golf club or a whisky-tasting club is not an option for every person, even if he or she has a great interest in these activities.

With regard to the importance of instrumental networks and network ties, then, according to the aforementioned study, these have extraordinarily great meaning in Estonia today. It would be incorrect to assume that the rules of the market economy and honest competition select the best players. Ron Burt (1998) has emphasized that one of the most essential properties of social capital is that it helps to find the best use for an individual's cultural capital, in other words, for his or her education.

It is characteristic of informal networks that they operate according to internal unwritten rules, they follow their own norms and values, and attempt to assist and support their fellows belonging to certain networks — there is a *friends-are-not-left-alone* effect. However, regarding the possibilities for various networks to offer help, then merely a desire to help is insufficient. In order to be able to view a network as social capital for the individual, it must contain sufficient resources and influence. It is one level when the whole network attempts to save its unemployed member and to find him or her even just a temporary job, but it is quite another level when appointments to high positions seem to operate according to the rule that it is not specialty competence that is important but belonging to *us*, i.e. to the *right* network. Therefore, we can treat social capital based on personal networks as one factor in the stratification of society today.

There is a risk for societies which are heavily network bound to divide individuals into certain classes: those who belong to a certain network, where they receive a part of the social capital and derive profit, and those who do not belong and are thereby left without the same benefits (see also Warren, 1999). In Estonia's case, such a division is especially dangerous because of Estonia's small population. Constant line drawing between *us* and *them* — whether it is based on supporting the coalition or opposition, political party membership, nationality, language spoken at home, residence, wealth status, or even which school or university or specialty one has graduated from — results in isolating a large part of the population because it cannot be accepted as *one's own*, for some reason or

another. *One's own* group tends to remain quite small as a result, so there is a concern that there may not be a sufficient number of competent people for all the positions of responsibility. Unfortunately, there are already examples of this occurring. As a result, there is also a clear danger to the development of democracy because the small group of those who have been elected acts in accordance with all of the rules of the network, enjoying the individual social capital due to belonging to the *right* network; those who belong to the network are supported, elected, promoted, there is mutual trust, one's faults and mistakes are covered up, etc. One characteristic aspect is that within the network members do favours for one another, which on the one hand is an attempt to ensure one's own position in the network and on the other hand is like an investment in one's own social capital which in the future may be repaid with interest (for example, giving someone a prestigious and well-paying position in the hope of later receiving financing for an election campaign). It is therefore obvious that belonging to *one's own* and *right* network is an essential privilege which one does not easily relinquish. Moreover, for the sake of being allowed entry into the right network, individuals are sometimes even willing to forget their principles, change political parties, etc.

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1.2. The qualifications of Estonian politicians

Politics could be seen as the choices made in setting the goals for society and in achieving them. The job of Estonian politicians — primarily the members of the *Riigikogu* (parliament) and the government — is to find adequate solutions for the challenges which face society as a whole. Compared with other people, the influence of the decisions which are made by politicians are more extensive both in space and in time. Political decisions are realized to a great extent through the creation of legal norms, of which legislation is an essential part. Although laws are not the only channel through which politicians influence the life of society, this article concentrates particularly on legislative activity.

Laws which are written in the course of the creation of legal norms may be seen as decisions which are based on limited rationality. If Weber's rational model of formulating policy presumes having information about every aspect regarding a given situation, then in the limited rationality model it is taken into account that in relatively complicated systems it is not possible to be in command of one hundred percent of the information. The rational model presumes that it is possible to become completely familiar with the available information — to analyze all possible developments and the results of all possible alternative solutions. In reality, this is not so and the limited rationality model takes this into consideration. According to the rational model, an ideal decision should emerge, but in reality the decision makers are more likely to choose an alternative which satisfies the minimum requirements. Simplifying the conditions which have been placed on the decision making process, the limited rationality decision-making model approaches the situation which exists in reality.

The abilities of top politicians

The making of high quality decisions presumes definite traits and skills on the part of politicians.

Conceptual skills

In making decisions that are adequate, correspond with reality, and achieve the desired results, it is most important to have a general picture of the whole, its compo-

nents and their relationships with each other. In the context of managing society, this means the economic sector, categories of population and regions, their relationships and the position of society in both the international and physical environment. It is necessary to have an overview to be able to separate the essential from the nonessential, to consider simultaneous conflicting goals as well as to set goal priorities. In the case of decisions which affect organization as a whole, it is just these conceptual skills which have the greatest importance (Donnelly et al., 1992). The professionalism which is essential for a politician to possess is necessary in order to determine the areas which require regulation, and to decide the optimum way in which that specific problem or area should be regulated. The creation of legal norms must be economic and goal oriented. One attribute marking the quality of a good and effective law is its necessity — only a necessary law is a good law (Merusk, 2000). A politician's conceptual professionalism must ensure the ability to differentiate that which requires regulation by law from that which is self-regulating.

Expert knowledge

The special characteristic of writing laws arises from the fact that it deals with rather complicated situations for which routine alternative solutions are frequently lacking. At the same time, it often deals with issues which must be solved relatively quickly. In such decision-making circumstances, expert knowledge and assessment become especially important. Although specialists and experts within narrow fields are included with increasing frequency in the discussion of the problems and the decision making process, the expert opinion still remains but a recommendation, and the responsibility for the decision rests with the decision maker. For this reason, it is essential that the decision makers themselves are at least to some extent expert in the given area (Üksvärav, 1992).

Sources of professionalism for top politicians

In acquiring the skills which are necessary for the work of a top politician, three sources can be differentiated: previous work experience in a political position, previous work experience in a profession outside of politics, and education. In the relationship between previous work experience and political skills, the essential fact is that different fields of endeavour develop different skills — and with that, those entering politics carry with them different baggage. Education in political science or law, and work in academic or government institutions develops traits and abilities which are necessary for politicians (Segert, 1994).

A politician's qualifications increase in accordance with how frequently the person participates in decision-making. Discussion precedes decision-making; learning about the particular system under discussion precedes discussion. A prerequisite for participating in the discussion and even more so for participating in decision-making is to be well-informed and to have experience. A person can acquire experience only through direct practice; it is not possible to import experience. An important prerequisite to participating in making quality political decisions on the state level is participating in decision making which is less extensive in reach and influence. In order to participate in politics in a way which achieves results, it is necessary, in addition to multifaceted studies, to have practical experience in decision making and organization, in which it is possible to experience not only successes but also failures (Vooglaid, 2000).

Empirical analysis

The empirical part of this article studies the composition of the IX *Riigikogu* which was elected in the spring of 1999, as well as the government, and the individuals who entered the *Riigikogu* as replacement members for those who became ministers. A total of 120 individuals are included in this group. Statistics gathered on the basis of documents, as well as a survey conducted among the members of the *Riigikogu* (spring 2000), have been used in this analysis.

Political experience

Let us first observe the general political background which is essential for a politician in the formation of his or her necessary conceptual skills and knowledge, as well as the creation of the contacts network. Under observation is participation in the work of previous compositions of the *Riigikogu*, as well as ministerial positions held in the government, work in local government or its councils, and work in political party organizations.

In evaluating the (work) experience of the current political elite, an individual's previous membership in the government as a minister (Prime Minister, head of a ministry, minister without portfolio), membership in the VII, VIII, IX *Riigikogu* either as an elected or replacement member, belonging to the Supreme Council which was elected in 1990, election to the Estonian Committee or as a delegate to the Congress of Estonia, and election to the Constitutional Assembly has been taken into consideration. Politicians with considerable seniority have had the opportunity to belong to 15 different political bodies (6 representative bodies and 9 governments); those newer to politics to only one, either the IX *Riigikogu* or

to the government[1]. Table 1.1 provides a picture of the political experience of the current political elite.

Table 1.1 shows that politicians with relatively little prior experience dominate among the current political elite — 59% of the political elite are in their first or second political position. Considering that the *Riigikogu* was elected and the government was formed in the spring of 1999, the time spent in current political positions cannot have been very long.

Four groups may be differentiated among the top politicians and they could be tentatively identified as follows: novices who are in their first political position (44 individuals); juniors, who have been elected to two political bodies (26 individuals); advanced, who are in their third or fourth political body (29 individuals); and professionals, who are serving in at least their fifth political body (21 individuals).

Of the current political elite, 37 people have served in ministerial-level positions in previous administrations of the government. Fifteen individuals have served repeatedly as ministers; 22 have served in ministerial positions once.

Nearly one-third (31%) of the current political elite has ministerial experience, and of these individuals more than one-third (41%) are serving in at least their third political position. At the same time, the relative share of those individuals who are serving in their first political position is also greater than one-third (37%) of the political elite. Can it be asserted that politics is becoming professionalized and that political experience is accumulating? This seems to be the case, as is alluded to by the dominating number of those experienced in politics as opposed to the number of newcomers. From the standpoint of leading society, both stability as well as change is necessary. Stability is represented by the experienced, change by the politicians with relatively little experience.

In the wider social scheme, we are seeing the manifestation of the structuring of society on the level of the political elite. The circulation of the elite — entering into the ranks of the elite and falling out of it — is a central theme of studies of the elite. In stable societies, changes are relatively minor and the role played by politicians of long standing is great. In societies which have experienced or are experiencing rapid or extensive changes, people change more often, and the role played by less experienced politicians is relatively large.

Observing separately the prior participation of *Riigikogu* members in the work of the *Riigikogu*, the large share of relatively less experienced members can be seen — among the members of the *Riigikogu*, those elected for the first time account for almost half and the share of those elected for the third time is about a quarter (Table 1.2). Of the members of government, barely half of the ministers have legislative experience: eight out of 15, in addition to which most of them have been elected to only one previous *Riigikogu*. Of the current members of the government cabinet, the number of politicians who have prior ministerial experience is also eight. The share of novices in the government (ministers who have not previously served as members of the *Riigikogu* or the government) is exactly one-third, which is lower than the share of novices in the *Riigikogu*.

TABLE 1.1.

Political experience

Number of representative bodies elected on a nationwide basis	Number	Percent		Number	Percent
1	44	37	Novices	44	37
2	26	22	Juniors	26	22
3	15	13	Advanced	29	24
4	14	12			
5	9	8	Professionals	21	18
6	8	7			
7	3	3			
8	0	0			
9	1	1			
Total	**120**	**103***		**120**	**101***

* Due to rounding errors.

TABLE 1.2.

Legislative experience

Elected to the *Riigikogu* …	Number of Members	%
... first time	30	42.3
... second time	25	35.2
... third time	16	22.5
Total	**71**	**100.0**

Although the difference is not great, the balance of political experience tends to lean in favour of the members of the government. Considerably greater responsibility falls upon those politicians who are members of the government than on ordinary members of the *Riigikogu* who hold no additional leadership positions, for which reason it is natural to expect government minsters to have greater experience.

Political training

Due to the large share of novices in the *Riigikogu*, interest in their prior political experience is in every respect justified.

[2] Belonging to a different number of political bodies – in the government or nationwide representative bodies – is not comparable to the number of times one has belonged to a political body. For example, a *Riigikogu* member who has become a minister has belonged twice to that composition of the *Riigikogu,* before and after serving as a minister; replacement members of the *Riigikogu* may have belonged to the one and the same composition of the *Riigikogu* many times.

TABLE 1.3.

Political work experience of *Riigikogu* memberss

	Elected to the *Riigikogu* …		
	1 time	2 times	3 times
Worked in an elected position in a political party	70%	88%	88%
Of this at the local level	33%	23%	0%
Of this at the state level	67%	77%	100%
Worked in an elected position locally	70%	88%	63%

TABLE 1.4.

Correspondence between current area of activity, education and prior position

	Ordinary members of the *Riigikogu*	*Riigikogu* committee chairmen, *Riigikogu* leadership, government
Education and area of activity coincide	30%	40%
Work experience and area of activity coincide	48%	82%
Education, work experience and area of activity coincide	23%	42%

The professional training of politicians usually occurs in the local government councils and/or working in political party organizations. But how many of those who were elected to the *Riigikogu* for the first time have worked in locally elected positions? It turns out that the number is about two-thirds. Approximately the same proportion in regard to experience level is for those elected to the *Riigikogu* for the second or third time (those who have worked in locally elected positions are, respectively, 88% and 63% of the members).

In addition to participating in the work of local governments, another opportunity to receive political schooling is to work in one's own political party. A politician who has been elected to the *Riigikogu* may have actively participated in creating and/or leading a political organization and has preferred that to working in local government. In that case, the experience gained in the political party compensates for the absence of experience which would have been gained by working in local government. Unfortunately, the actual situation is the opposite — of those elected to the *Riigikogu* for the first time, 70% of the members have worked in elected positions with their political party, but of those who have been elected several times, nearly 90% of those responding have worked in elected positions. Two-thirds of the novices, however, have worked in elected nationwide positions, but of the experienced politicians, 100% of the members have held elected nationwide positions. On consideration, it is not surprising that there is such a division among the elected political party positions: since the candidate lists for the *Riigikogu* are composed internally by the political parties or by the political parties who belong to election coalitions, then it is natural that the leading figures in the political party are placed at the top of the list and are thus elected to the legislative body.

The results of the analysis of political experience in Table 1.3 allows for the interpretation that in the case of many members, their most extensive political schooling occurs when they work in the *Riigikogu* for the first time. It remains questionable whether the legislative body is the right place for the political parties to place their own relatively inexperienced members — the *Riigikogu*, after all, has a leadership responsibility, which presumes thorough knowledge and experience of the society.

Politicians' specialized knowledge

From the standpoint of quality of leadership, it is useful if the decision makers are specialists in their field. Without specialized knowledge, it is difficult to evaluate the situation, make decisions and predict possible developments. The requirement for competence is also in force for politics. Although the main responsibility for top politicians is to lead society as a whole, the practical development of legislation occurs separately in each different field.

Knowledge of a specialty takes shape through education, one's profession and on the basis of previous work experience. We will now analyze the correspondence of education and prior work experience with the field in which the politician is active in regulating. First, we look at the *Riigikogu* members' subjective opinion about the importance of specialized competence — according to statistics from a survey conducted among *Riigikogu* members, knowledge of a specialty is the most important factor in the selection of a committee, along with the member's personal preference, seniority and knowledge of the field. Even in composing the nationwide list of candidates for elections, specialized knowledge in some area is placed fourth among ten different criteria.

The correspondence of a politician's education and work experience with his or her current field of endeavour (Table 1.4) is the next subject for analysis. For clarification, it should be pointed out that the substantive discussion of draft legislation occurs in *Riigikogu* committees — and for that reason, in the case of *Riigikogu* members, their 'specialty' is assigned on the basis of their membership in the corresponding committee. The 'specialty' of members of government is assigned on the basis of the ministry's administrative jurisdiction and functions.

Two categories based on competence among politicians are differentiated in Table 1.4. The responsibility and opportunities for making decisions are certainly less for ordinary members of the *Riigikogu* than for members of the government, *Riigikogu* factions and committee chairmen and the *Riigikogu* leadership.

In Table 1.4, one can clearly see that for those whose educational background and current field of activity coincide, the tendency is that together with the increase in competence their political weight also increases. In the second row of the table, which shows the coincidence of prior work experience and current field of activity, this tendency is shown even more clearly. And also in the third row of the table the same tendency can be seen — among politicians with greater power and responsibility there are also relatively more individuals with specialized education and previous work experience.

From the comparison of the importance of the work experience and the field of expertise learned in school (comparing rows one and two), the greater importance of work experience can be seen. There may be two reasons for this. First, the selection of a field of study is made when an individual is relatively young, and preferences may change markedly as time goes on; for that reason it is not surprising that many have worked in areas which are different from specialties which were studied in school or university. The second reason could be the great changes which have taken place in society over the past decade. At the same time that previous fields of activity and career opportunities disappeared, new opportunities opened up, changing the entire worldview, so many used the opportunity to leave their previous work and field to begin a new page in life. The other side of the coin is that the changes in society took their toll and forced many to perform any available work.

In summary, it may be stated that among the current political elite there is stability and experience as well as change and awkwardness. However, it is most essential that the politicians who hold the political positions with the greatest responsibility and power have the greater political and professional experience.

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1.3. How will accession to the European Union influence Estonia's development?

Since 1995, when Estonia concluded the Europe Agreement, accession to the European Union has been one of the main goals for all Estonian governments and for the main political forces represented in the parliament. The accession agreement between Estonia and the European Union will fix mutual obligations and rights, as well as the scope of integration. In the accession agreement, additional obligations are assumed in order adopt EU supranational and directly applicable legislation and to harmonise other institutions. The question regarding the relationship between obligations and freedoms will be reduced in the given situation — in the framework of negotiations with the European Union — to the application for transition periods and derogations, which would preserve for Estonia, in some fields, a greater freedom of decision and action than that foreseen by community legislation.

A good example of creating an optimal relationship between the adoption of EU legislation and independent decision-making is provided by the Irish example. Compared to others, Ireland's European model sets an example for Estonia, because Ireland is situated in the close proximity of a big country but still preserves its sovereignty, in the context of the modernisation of the economy and the development of national culture. The 70 percent economic growth in Ireland during the last decade is the highest in Europe, and the standard of living of the formerly poor agrarian country exceeds the western European average (including Great Britain) (Raig, 2000).

Estonia should also apply for long transition periods before full accession, in order to maintain its attractiveness for foreign investors and to preserve its business-friendly taxation system. The subsequent principle for economic policy might be that harmonisation is carried out to the extent that is minimally required, in order to attract into Estonia not only European, but also third country direct investments (primarily from the USA and

Japan), but at the same time receiving EU support for agricultural, regional and social programs.

General impact of the European Union's eastwards enlargement

The impact of the eastwards enlargement of the EU on western countries consists primarily of the opening of markets. This will result in an economic boost and the redistribution of income in existing member countries. The opening of markets will bring about an increase in the effectiveness of direct investments to the east, and economic growth effects in the whole of Europe. In addition, EU enlargement will stimulate specialisation, with labour intensive production carried out more in the east and less in the western areas. This will free western labour force resources and employ them in more productive activities. As specialisation enables countries to focus their resources on what they can do best, relatively speaking, then the pan-European relocation of resources will raise the total production per inhabitant in the whole of Europe.

EU enlargement will profit the small countries more than the big ones. The smaller the country, the greater the relative benefit from integration, because the economic benefit largely depends on how integration broadens the opportunities of consumers and producers to organise their economies in more effective ways (Baldwin, 1994). There is a lack of capital in the eastern part of Europe, and a lack of technology. Consequently, integration with the west and the opening of markets will reduce the price of those goods produced with a high usage of capital and technology, but also increase the price of labour intensive products in the candidate countries of central Europe.

The EU structural funds will also provide opportunities for candidate countries. Structural funds are the means for providing major support to poorer member states and regions. The funds have clearly been oriented to promote greater economic and social coherence. Coherence is generally intended to mean bringing the average income levels (GDP per person) closer together. The budget for the Cohesion Fund, created by the Maastricht Agreement, has constantly grown, and the money has so far been used to fund projects in the four poorest EU countries — Greece, Ireland, Portugal and Spain.

More than 80% of the EU budget is spent on agricultural producers and poor regions. To identify the accession impact on budgets of candidate countries, the decisive factors are data on average incomes and the agricultural sector. Eastwards enlargement will increase EU foodstuff oversupply and will force the EU to reform the Common Agricultural Policy (CAP). Even if agricultural producers in the new member states receive fewer subsidies than the others, the export of the excess production will be a burden for EU agricultural policy, because the expenditures needed to maintain prices will increase. The unconditional adoption of the CAP would result in extensive financial transfers to farmers from the taxpayers in EU founding member states and from consumers in the new member states.

The cost of EU eastwards enlargement will primarily be paid by current member states. It would be logical if these costs were distributed more or less equally among all current member states. Unfortunately, this is not possible. Most probably the burden of eastwards enlargement will fall mainly on the shoulders of the poorer members and farmers. This claim is based on the logic that the enlargement requires an increase in the budget, but also a reduction of expenses, mainly in agriculture. This sector, however, is larger in poorer countries. Western European farmers and poorer countries have a major impact on EU decisions. Therefore, it cannot be excluded that a coalition of EU farmers and poorer countries could block eastwards enlargement through the non-ratification of accession treaties, until the candidate countries are significantly wealthier and less agricultural.

Preliminary study results on the impact of accession in Estonia and other candidate countries

The first timid steps are currently being made in analysing the impact on Estonia of European political integration (Veebel, 2000). The impact of economic integration has been more thoroughly studied in some economic sectors such as foreign trade (Varblane, 2000) and finance (Kunsing, 2001), or regarding isolated problems, such as the impact — on passenger traffic in maritime navigation — of ending tax-free trade after accession (Rääk, 2001), the impact of a rise in sugar price after accession on the foodstuffs industry, etc.

EU support to Estonia, mainly as investments, may be as large as 4% of Estonia's GDP, i.e. initially up to 4 billion kroons annually, presuming the Estonian GDP is 100 billion kroons at the time of accession. But one should not forget that EU enlargement involves a big group of poorer countries, so the average level of GDP will drop, and Estonia may fall outside the support fund category more quickly.

Whereas the rapid convergence of economic development and the pace of growth may be considered as wholly positive, the rapid convergence of price levels, however, may result in aggravating social problems.

Accession to the EU will bring about the obligation to ensure free movement of capital and the opening up of real estate markets to EU member states, which means that land reform must be completed according to EU rules. As a result, within ten years there might be a situation where a

significant part of Estonia's land, if not most of it, will be owned by foreigners or will be under their control (in contrast to the other candidate countries, Estonia has not even applied for a transition period or derogation in this matter), because the price of land and other real estate in Estonia is currently ten times lower than that in neighbouring Finland and Sweden, both EU member states.

It is very difficult to forecast what the free movement of workers will mean for Estonia, because during the accession negotiations many countries have raised the requirement of certain temporary limits. Unfortunately no one has analysed whether such limits will be damaging or, on the contrary, profitable for Estonia, taking into account our demographic and labour market situations. Whereas immigration has previously been considered a cheap solution for the labour force shortage, it is now becoming quite a big social problem and a source of conflict in EU member states (Vetik, 2000).

Estonia will be obliged, after accession to the EU, to establish common customs duties and quotas for such currently relatively cheap goods as metals, cereals, sugar, motor vehicles, cotton, etc., resulting in an increase in the cost of production materials and currently locally produced goods, and goods imported from so-called third countries (Russia, Ukraine, USA, Japan, China, India, Korea, etc.). It is the consumers who will lose the most because all goods will be more expensive, at least due to the customs duties (depending on the product, from 0.01 to many thousands of percent). But this will be a big drawback for Estonian producers and traders, because previous free trade agreements with several third countries, primarily Ukraine, will be terminated. Whereas in other candidate countries, customs duties will be reduced upon EU accession, resulting in some lower prices, in Estonia accession will generally bring about a rise in prices, because Estonia — in contrast to the others — has not protected its domestic market.

In addition, EU membership will result in a rise of fuel and tobacco prices due to tax policy harmonisation, and it will abolish duty-free and tax-free trade in ships, airplanes and free trade zones. This in turn will occasion higher prices for both maritime and road transport, and if unfair competition conditions are maintained (Åland's permanent derogation in Finland's accession treaty regarding the preservation of duty-free and tax-free trade), then the Hansatee company and other maritime transport companies, as well as numerous companies providing tourist services, will face bankruptcy. The requirement to end VAT tax exemptions and tax reductions will also have an impact on publications, heating services and cultural institutions. There will no longer be reimbursements of VAT on re-exported products and services, because the EU market will become the domestic market.

Estonia's accession to the European Monetary Union requires, on the one hand, that Estonian prices be comparable to EU average prices. But rising to the EU average level of prices also presumes a growth in income of at least the same tempo. Price convergence would need a certain level of income convergence, but the state has no financial means to ensure this for the unemployed. Entering the EMU presumes in turn low inflation and stability of prices. Price and income convergence, and accession to the EMU, are intrinsically contradictory aims and therefore difficult to carry out.

If Estonia is not able, during the negotiations, to maintain Estonia's existing liberal trade policy and relatively low taxes, then low income families and weaker enterprises face even more difficulties in coping, and the flow of foreign tourists into Estonia will also diminish. A rapid rise in prices and taxes will hit pensioners and large families the hardest, because their income will still be attached only to the thin rope of Estonia's state budget — the EU supports social, educational and other expensive policies only to a minor degree.

The inevitable consequence of the obligatory implementation (hopefully with some alleviations) of the EU CAP will be mandatory support of farmers and a relatively sharp rise in foodstuff prices. It is not appropriate to compare prices of foodstuffs in Estonia with the big markets in Germany or other countries which have even better production conditions. Our prices will be influenced rather by Finnish and Swedish ones, which are on average twice as high as average consumer prices elsewhere in the EU (Varblane, 2001)

In summary, the implementation of EU trade, agricultural and environment policy and other expensive policies in Estonia means that the Estonian labour force will also be more expensive and that the competitiveness of the entire economy will be reduced, with growth thereby slowing down. In order to reduce the negative impacts of EU membership, Estonia should apply for essential derogations and transition periods regarding EU legislation, in order to increase the competitiveness of its economy and to avoid social tensions turning into serious conflicts.

Accession maturity should not be measured by the speed of harmonisation or of closing chapters at negotiations, but according to the ability to implement EU legislation and policies in reality, and to defend national interests at the accession negotiations.

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1.4. The impact of EU integration on Estonia's social cohesion

Both in Estonia and in the European Union (EU) itself, European integration is often called an elite project. Such an attitude is confirmed by Estonian public opinion surveys — for instance, more than two-thirds of Estonian residents believe that EU membership primarily interests politicians and civil servants who hope to gain from it personally. Surveys also show that the more negative attitude a person holds towards politicians and the state, the less likely he or she is to support EU membership. In addition, EU attitude depends on social position and income — less well-off people are in all respects more pessimistic about integration into the EU.

This article will firstly take a closer look at the results of a public opinion survey conducted by the Institute of International and Social Studies at Tallinn Pedagogical University in June 2001, which indicates a conflict between the *people* and the *elite* in the context of EU integration. We will then examine how an understanding of EU integration as a project primarily profiting the elite has been created in Estonian public discourse, and ask how justified such an understanding is. This will lead to crucial questions concerning the impact of EU membership on the strengthening of the social dimension in Estonian politics, and the ways in which European norms and values will be shaping the political sphere of Estonia, as an EU member. Examples from EU member states with very different social models — on the one hand the Nordic countries, on the other Great Britain — will help to sketch the future perspectives of Estonia.

The people versus the elite in public opinion

Two understandings concerning integration into the EU are widely held by the Estonian population: firstly, *decision-making* in EU-related issues is considered to be too elite-centered, and secondly, those decisions are believed to *profit* mainly the elite. The first view is entirely justified, since Estonian EU politics has indeed been concentrated in the hands of a very small elite group. From the viewpoint of democracy this is undoubtedly problematic, and here we can draw a parallel with the democratic deficit concern regarding the EU generally — European integration has been elite-centered throughout the historical process.

The fact that certain decision-making is concentrated in the hands of the elite should not, however, automatically imply that the elite is acting out of self-interest. Centralisation of power is to some extent inevitable in a representative democracy, but publicly elected politicians are expected to carry political responsibility and to proceed according to the interests of the voters and society as a whole. In Estonia that mechanism does not seem to work, as a majority of Estonians do not trust politicians or political institutions, with the exception of the president. This mistrust spreads to the activities and aims of politicians, including integration with the EU, which is one of the top priorities of the government.

The above-mentioned survey indicated that trust in all the societal institutions mentioned in the questionnaire (13 in total) is considerably lower among EU opponents than supporters, while people holding a neutral attitude towards the EU mostly fall between those two groups (see Table 1.5). In a referendum, 27 % of respondents would have voted for EU membership, 24 % against, and the remainder lacked a clear opinion. The same survey showed that the general attitude of Estonians towards the EU is mainly positive or neutral, while there are few

TABLE 1.5.

Trust in major social institutions and political leaders amongst groups with various EU attitudes

	All respondents		EU attitude					
			Positive		Neutral/ no opinion		Negative	
	Trust + Trust some-what %	Trust index*	Trust + Trust some-what %	Trust index	Trust + Trust some-what %	Trust index	Trust + Trust some-what %	Trust index
Government	34	–22	41	–12	37	–11	21	–49
Parliament	35	–16	48	7	36	–10	20	–48
President	74	56	79	63	76	62	66	41
Courts	47	13	51	14	49	19	41	2
Media	42	–6	48	3	44	–1	34	–22
Lennart Meri**	65	50	78	67	66	52	48	26
Mart Laar**	26	–20	43	5	21	–30	15	–34
Edgar Savisaar**	36	2	37	1	37	4	34	4

* The index is calculated as follows: *(fully trust + trust somewhat) – (do not trust at all + do not trust somewhat)*.

** Question: How much do you trust the EU related opinions and standpoints of the following persons?

EU opponents with well-grounded views. Low trust in politicians and institutions is undoubtedly one important reason for the large share of undecided and uncertain views. Mistrust nourishes the perception of EU integration as an elite project regarding which an ordinary person deserves to be sceptical — just the same as regarding the activities of politicians in general.

Attitude towards both politics in general and the EU in particular is connected to social position and income. EU integration receives strongest support among highly educated, relatively well-off inhabitants of Tallinn and Tartu. On the other hand, those social groups for whom it is most difficult to get along in present-day Estonia — pensioners, the unemployed, rural population, low income groups and less educated people — are the least supportive of joining the EU. Most of these people do not expect EU membership to improve their lives. In these groups, an apathetic attitude towards the EU is also widespread. In addition, the same people trust politicians and societal institutions less than other groups. It is understandable that difficulties with subsistence create pessimism towards the surrounding world. Moreover, there are no strong political forces in Estonia whom the socially less-advantaged groups would see as their representatives and defenders of their interests. Hence, they feel marginalised and have adopted an apathetic or sceptical attitude towards anything related to politics. So it is quite expected that a negative or apathetic attitude towards the EU, a mistrust of politicians and a weak financial situation often coincide.

Elite project as a discursive construct

The representation of EU related issues in Estonian public discourse helps us to understand the conflict between the people and the elite in connection with the EU. Here we proceed from the understanding that the truths which dominate in society are constructed through language. Therefore, in order to discover how they are created, we need to study the discursive processes, in the course of which different meanings are attached to social events and realities (see e.g. Hajer, 1995). This raises the question: how did the understanding come about in Estonia, that integration into the EU is an elite project with little or no benefits for ordinary people? What are the scepticism and fears regarding the EU among the socially weaker groups based on, apart from a general distrust of politicians?

In Estonian public discourse, integration into the EU has been constantly linked to Estonia's success regarding the economy and foreign relations. Estonia's international reputation and achievements compared to other transition countries have been emphasized. EU integration has been placed in the context of radical reforms which have brought about extensive economic stratification and social problems. These problems have been justified by success in EU integration; painful reforms have been considered an inevitability on the way to becoming a fully-fledged member of the western world. Dealing with problems that worry an ordinary person has been deferred indefinitely or transferred altogether from the

responsibility of the state to individuals or the third sector. Public discussion has often created an impression that the state has not been able to address several problems that are important for the people because most of its attention and resources have been concentrated on EU integration. The praise and acknowledgement from the EU has supported such an understanding, confirming the myth of an economic miracle and a small, but successful reform state. The same reforms that have brought to Estonia success in relations with the EU have thus contributed to public scepticism towards the EU as well as towards politicians and the state. Ties between the Estonian state and the EU have become stronger than ties between the Estonian state and people.

Eurosceptics and the media have helped to create and reinforce the fears of especially the poorer people towards EU membership. For example, in June 2001, 76 % of the Estonian population believed that EU membership will result in a considerable rise in food prices — where else did that opinion originate from if not the media? It had become a common 'truth' repeated by all media channels that joining the EU will raise food prices, until economic experts refuted that claim in July (Postimees 5.7.2001). That could be one of the reasons for the increase in EU support during July and August. Eurosceptics have also frightened people by claiming that the elite will enjoy the benefits of EU membership, whereas ordinary people — the taxpayer, consumer, pensioner etc — will carry the costs (Luup 6–7, 2001; Kulbok, 2001; Silberg, Leito, 2001). The following analysis will bring these claims into question.

Pressure to strengthen the social dimension

Several Estonian eurosceptics complain that integration into the EU forces Estonia to give up its extremely liberal economic model. But they also claim that it would be primarily the poorer people whose lives would become more difficult if Estonia joined the EU (ibid.). These arguments are contradictory. The first view is justified as such, because integration with the EU does indeed require increasing the involvement of the state in economic life. If, however, Estonia stays outside the EU and continues the economic policy it has followed since regaining independence, it would not mean that the position of poorer people in society would improve. Neo-liberal economies have increased the gaps between rich and poor all over the world, and there is no reason to expect that Estonia would deviate from that trend. Even though some of the economic growth would probably spill over to the poorer social groups, neo-liberal ideology would not allow the state to work against social stratification and alleviate social problems. Yet, those problems would not be solved by themselves or through economic self-regulation.

The examples, norms and expectations of the EU in the social sphere do not support in any way the understanding constructed in Estonian public discourse that European integration mainly profits the elite. In EU policies and budget, an important position is held by structural funds, and the Cohesion Fund, that offer support especially to poorer member states and regions in order to increase social and regional balance. Assistance is granted not only to governments, but also to civil society. So, for instance, financial aid to Finnish civic organizations dealing with social issues has increased considerably since Finland (a relatively rich member state with a strong social policy!) joined the EU (Seretin, 2000).

If we compare Estonian economic and social policy to that of the EU and its member states, there is no doubt that Estonian neo-liberalism is quite distant from the European model. Radical economic reforms did indeed help Estonia to get into the first group of EU candidates, but joining the EU calls for a change in policy. As Estonia strives for accession, dealing with social problems must already be viewed now in the context of integration with the EU. Estonia does not yet fulfil EU requirements in the social sphere, but has promised to adopt all these without special conditions or transition periods. This requires the state to deal more actively with employment, protection of employee rights, health care, social partnership, regional development etc. (European Commission, 2000). For instance, in spite of high unemployment, Estonia spent only 0.24% of its GDP on employment policy in 2000, which was 14.5 times lower than the EU average (Eamets, 2001).

Moreover, the impact of European integration on national political systems is not limited to financial support and compliance with formally established rules and norms. In the course of cooperation on the EU level, representatives of member states develop similar values and ways of thinking, understandings about what is to be considered a societal problem to begin with and how to deal with it, which solutions are to be seen as conceivable or desirable etc. The impact of the EU on the national political systems of member states is a relatively new topic in the political science literature on European integration (there is much more research on the reverse effect, i.e. the impact of member states on the EU or EU decision making). Recently, however, several political scientists have turned their attention to the europeanisation of EU member states' politics. Both state and non-governmental institutions, such as interest groups and citizens' associations, are involved in this process. Since most political issues are dealt with on the EU level, it has become impossible to talk about purely national interests, goals or strategies. National positions are also formed in constant interaction with EU structures and other member states. The blurring of the national and the European takes place on the level

of political structures, substantive questions, as well as cognitive processes (Duina, 2000). Normative learning and the capability to formulate one's positions with reference to common standards are necessary preconditions for integration (Eriksen, Fossum, 2000: 16).

As political elites in the EU lay more emphasis on social issues than Estonian politicians do, one could expect that as Estonia's cooperation with the EU increases, the more European the Estonian way of approaching social problems will become. Hence, integration with the EU should receive support from those Estonians who would like Estonian politics to move somewhat to the left, towards a stronger role of the state and a stronger social dimension. This argument is supported by examples from present EU member states.

Economic policy in Great Britain, under the leadership of Margaret Thatcher in the 1980s, turned strongly to the right, towards increasing openness and deregulation. In following the US-type of economic model, Thatcher reduced considerably the influence of the state and the trade unions. Consequently Great Britain distanced itself from the states of continental Europe where the social dimension was strong. Due to such differences, but also because of a generally high level of euroscepticism, Britain refused to sign the European Social Charter in the early 1990s. Meanwhile, the Labour Party and the trade unions developed close contacts with the EU, from where they received support for their aims. In 1997, soon after Labour came to power (after 18 years of Conservative government), Britain did sign the Social Charter. (George, Bache, 2001: 182–194).

In contrast to Britain, European integration in Sweden has been supported primarily by right-wing political forces, whereas leftists have been more sceptical. One of the main reasons lies in the fact that the Swedish welfare model has for decades been considerably more leftist than that of other EU states. Hence, leftist forces have feared the weakening of the welfare state, while rightists, on the contrary, have expected European integration to liberalise the economy. The Swedish situation changed in the beginning of 1990s: due to the liberalisation of the international economy, the state was forced to increase economic openness, which brought Swedish economic and social policy closer to EU member states. This led to the trade unions changing their previously negative position on EU membership, which was very important for the result of the 1994 referendum on joining the EU (*ibidem:* 206–207).

In general, one can say that in those states that on the right-left scale are situated to the right of EU policies (e.g. Estonia and Great Britain), it is the people with a left-wing outlook that have reason to support European integration. On the contrary, in welfare states with a strong social dimension (such as the Nordic countries), left-wing parties and organizations have been sceptical towards European integration for the fear of weakening the welfare state. However, the social dimension has been recently strengthened in the EU, to a large extent thanks to social democratic rule in a majority of member states.

In conclusion, we can be quite certain that the social dimension will become stronger in Estonia if the country joins the EU, compared to staying outside the Union. Nevertheless, as differences between EU member states prove, the contribution of the Estonian state and society to increasing social cohesion will remain crucial. EU requirements are relatively limited, and making use of EU funds is only made possible by national proposals, plans and co-financing. Joining the EU will not in itself solve Estonia's problems, but will provide additional opportunities for doing so. It also depends to a great extent on national policies, whether Estonia remains a poor periphery of Europe or improves its position with the help of EU support, following the example of Ireland. At the same time, it remains to be seen how eastern enlargement will change the EU, on what conditions new members will be accepted, and how that is going to affect Estonia's future perspectives.

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1.5. The sustainability of nature as a precondition for the sustainability of society

The issue of sustainability may always be reduced to the question: Whose sustainability is under discussion? Is it the sustainability of the citizen, community, city, state, region, mankind or that of the planet Earth? Similarly, the question regarding Estonia's sustainability may remain unanswered if no framework or values are defined, if no agreement is reached regarding the principles, criteria or indicators, or the evaluation methodology. In the following article, the sustainability of Estonian human development will be described from the viewpoint of people's attitudes towards nature. An overview on the Agreement For A Sustainable Estonia is also provided.

Estonians' attitudes towards nature

A study, People and the Environment (Kaasik, et al., 1996: 39), which was published by the SEI in Tallinn, showed that 57% of those who consider that contacts with nature are important also think that it is the citizens who have the primary responsibility for the protection of the environment. Unfortunately, 50% have exactly the opposite viewpoint.

In 1994 a sociological survey was conducted in Hiiumaa. 65% of respondents believed that there are mysterious or higher powers concealed in nature. It is interesting to note that the answer was not dependent on the respondent's educational level. The majority of associations for the word *forest* included terms like peace, mushrooms and berries, timber and firewood. These were followed by concepts such as the feeling of freedom, restfulness, joy and holiness. The word *sea* was associated with beach, followed by vacation, peace and quiet, feeling of freedom, joy and holiness. Among the most popular words to describe a holy place were church and chapel, as well as forest, sacred grove and trees, which were expressed by 22% of the respondents, and shared the third and fourth places (Uljas et al., 1996).

In a poll conducted by Stefanie Lang, nearly 60% of respondents associated *nature* with forest. *Nature* was also associated, by half of the respondents, with water, for 40% of respondents with life, animals and plants, for 30% with landscape, feelings, actions, for a quarter of respondents with air, cleanliness and beauty and for one-fifth with positive emotions. However, the word *environment* was associated, for half the respondents, with surroundings, for one-third, with water, air and the relationship between people and the environment. For a fifth of the respondents, the word *environment* was associated with degradation. 99% of respondents agreed with the statement that *When I'm outdoors in nature I can rest and recover*. 84% of respondents considered humans as part of nature and accepted the claim that all that happens to nature influences mankind as well. 77% of respondents agreed with the claim that *If you do not respect the beauty of nature, then you are not able to act in an environmentally friendly way*. Three-quarters of the respondents (total of those who entirely or partly agreed) agreed with the claim that planet Earth is like a space ship which has limited (environmental) space, resources, ability to handle pollution, etc. (Lang, 1999).

The most direct questions regarding relations between people and nature were posed to local governmental environment-development specialists within the Local Agenda 21 study which was carried out at the end of 1997. The questionnaires were sent out to all the local governments which existed in 1997. Three respondents answered positively and 133 respondents negatively to the question of whether nature is merely a source of resources. Those who answered negatively were asked to choose one or more of the following statements: (1) mankind should govern nature and use the resources according to its needs, (2) life is of supreme value and each animal, plant and stone has the right to existence and well-being, just as mankind does, (3) mankind is responsible for the changes which have occurred in nature as a result of its activity, (4) nature has the right to remain as it is, (5) respondents could offer their own reason. Four opted for (1), 59 for (2), 96 for (3), 33 for (4) and 16 for (5). The descriptive answers included: *Without nature there would be no life! ... Humans themselves as well as the next generations suffer most due to careless activities in nature. ... Mankind should still govern nature (prevent epidemics, natural catastrophes — as much as human reason can manage) and use nature's resources according to its own needs, although in an economical way, helping nature to recover, so that there's still a balance ... Nature is a living environment, mankind is part of nature, the system should function as a whole and preserve the balance. ... Earth is on loan from future generations. ... Nature is us, it's me, it's the good and the bad. ... People are part of nature. ...What is important is that people understand the EXTENT OF THEIR RESPONSIBILITY FOR NATURE, FOR LIFE, which presumes an understanding of human existence itself. ... We have not inherited this world from our parents, but we have it on loan from our children* (the respondent's motto). *...Natural resources are necessary, including the restoration of the resource of silence. ... RESPECT FOR LIFE (NATURE) IS THE MOST IMPORTANT ...You can't fight*

nature (especially at sea, an island lies also in the sea). ... Take what you have been given, but with reason, taking into account that besides you there are other persons and things ... In protecting nature we also protect ourselves. ...People should change their behaviour so that a normal life environment on Earth could be preserved (Oja, 2001a).

These quotes show the variety of relations between man and nature in modern Estonia: there are some persons in favour of anthropocentric viewpoints, but the majority agrees that humans are responsible for their deeds, and a quarter of all respondents are ready to go even further, admitting the need for balance and that nature has a value in itself. These fragments from the survey enable us to conclude that Estonians' attitude towards nature is of a sustainable kind, rather than non-sustainable. On the level of beliefs, people do not exclude the possibility that nature may have an intrinsic value, some higher spirit/power. In any case, mankind should take nature into account, not hurting or harming it, and it should bear full responsibility for its actions. *The main philosophical issue of the new century, the 21st century, is whether we are able — as the species with the highest level of thought processes — to express the new way of thinking needed by our planet. ... Here in Estonia, we should not be ashamed of the possibilities of ecological existence which stem from boreal (relict) thinking, nor our own bio-philosophical tradition which results from this* (Merenäkk, 2000).

A cabin named Estonia on board the space ship named Earth

In order to facilitate understanding about economical development, let us use a metaphor: let the planet Earth be a self-sufficient and self-restoring space ship with Estonia as one of its cabins. The resources of the vessel (as well as those of Earth) are limited, the sun batteries have energy only for a certain number of passengers, the waste processing is able to reprocess only a certain amount of waste created by the passengers. The continuity of life and the well-being of the vessel's passengers is ensured as long as the numbers do not exceed a critical limit, the use of chemicals does not disturb the balance of natural processes, the climate of the vessel does not heat up too quickly in a too short period of time, so

BOX 1.1.

The basis for specialty solutions should be common principles (freely agreed upon) which are the inarguable preconditions for successful implementation.

BOX 1.2.

AGREEMENT FOR A SUSTAINABLE ESTONIA
Adopted at the Ist Forum For A Sustainable Estonia in the National Library, Tallinn, February 22, 2001

We, the undersigned, hereby support the principles which, according to our convictions, are decisive for the creation of a Sustainable Estonia, and which we wish to follow.

1. In the 1990s, the Estonian people restored their independence and their hope in the future. Now, at the beginning of the 21st century, it is of primary importance to identify and to adopt the values and attitudes that unite Estonian society and to create a vision of the future which will unite the generations. We are convinced that the best way of doing this is in the spirit of the Rio process and the principles of sustainable development.
2. We admit that the difficulties experienced by the Estonian transitional society are inevitable. These have reduced the cohesion of society and have unbalanced competition and cooperation. We consider the primary task to be the creation and extension of 'the public cooperation space', so that people and institutions might find common interests and common goals. A closer cooperation is the main precondition for building a coping and Sustainable Estonia. It is time to decisively start building a participation democracy.
3. The competence of the public sector is growing, but the short-sightedness and sectoral fragmentation of political decision-making, planning and management structures is of concern. Therefore, we think it is important to set up and implement policies, strategies and action plans, with the aim of integrating, in the long term, the population, economy and the environment. We think that this is the task of both the state and researchers in the creation of a Sustainable Estonia.
4. We wish to develop an educational system which will ensure conditions for all to fully develop potential intellectual abilities and to implement them creatively in the homeland's economy, social or cultural field. Estonia may develop into a successful and economical country only with the help of forward-thinking and lifelong learning.
5. We consider it important to ensure social protection and quality healthcare for all society members, which will ensure the continuity of the population and alleviate domestic social tensions. Sustainable Estonia should be able to stand against external economic, social and political pressures.
6. The success of the Estonian economy can be based on long term planning for social and ecological changes and the use of sustainable technologies. We should not remain passive followers of short term signals from the market within the global economy.
7. As citizens of a Sustainable Estonia and of the world we have the obligation to perceive and follow ecological 'ethical limits' and thus:
   - we will respect nature as an entity, the diversity of life and culture;
   - we will recognize the responsibility for setting limits to our freedom of activity, and the obligation to protect natural, social and cultural environments;
   - we will strive for such ways of production and consumption which are adequate to the recycling capacities of Earth and we shall do everything we can to not harm it;
   - we will choose the way of maximum precaution, when we have to decide in scientifically unclear situations;
   - we consider that the right way of using natural resources is to take into account social and ecological costs and to include them as external costs into the cost of production.

Source: Oja, 2001b.

that the freshwater stocks which are frozen at the poles do not melt and drown the vessel, etc.

How to solve the (global) problems of the vessel, how to re-establish the balance of the systems, ensure the well-being of the inhabitants? A strategy for the re-establishment of well-being is set up for the vessel, as well as an activity plan (Agenda 21). All cabin chiefs adopt conventions for saving the vessel (climate, biodiversity, etc.). After that, each cabin starts to set up a strategy and an action plan, in order to ensure that cabin's well-being. After five or ten years everybody convenes and admits that there are no results, that the strategies have remained paper declarations, that the action plans have not been implemented, that the vessel's economy is still acting according to the principle of maximizing financial profits.

Every passenger capable of even some thought will ask: Why? The answer is simple — no agreements had been concluded at the vessel or the cabin level about the principles of action (development, rescue, etc.). There are different understandings about these principles on the part of the (environmental) economist, (environmental) lawyer, (environmental) engineer, (very) green activist, (environmental) psychologist, etc. For the engineer, the environmental problem — sustainable development — is a technical issue, therefore the solution lies in better, ecologically more effective technologies or purification equipment. The economist, on the other hand, has computed the costs of different items. Since the economist measures everything according to financial value, then he or she thinks that the best solution is the most cost-effective one or one where the savings are reinvested. For the lawyer the whole issue and its solution is amending legislation — just get more precise laws and your problems are solved. The extremist groups think that extreme solutions should be implemented — prohibit, relinquish, force. The ecological psychologist made a study and explained both the problem and the solution by means of a construct located in people's heads, which helps people to explain and understand the world. The extent to which the environment with its limited resources, its limited ability to endure and to recover, is part of that construct, depends on the level of education of people, their ability to get information, to think, to associate ideas, to analyze and to synthesize. As there had been no agreed principles for selection, it is no wonder that the outcome was no good!

Let us end this metaphor with a nice dream about the capability of the space vessel named Earth to continue its existence, and the ability of the passengers to gradually and in a balanced way increase their well-being. One of the cabins of the vessel, named Estonia, was able to reach an agreement, within the limits of its (environmental) space, as to the principles for sustainable development (in the form of the Agreement For A Sustainable Estonia). The majority of the cabin passengers began to follow these principles in their daily consumer choices and professional decisions. As a result, a sustainable model was reached which was in balance with the environment and socially cohesive. The well-being of the passengers of the Estonia cabin did not decrease, because all four capitals were increased as a system, in a well-balanced and proportional way. That was in contrast to the ideology of the vessel's leading west wing, which increased profits to the detriment of the remaining three capitals. Although at first the initiative of one cabin was considered to be an isolated act — mad, infeasible — the passing of time showed that it was a competitive advantage in the long term. There had been a time when the monetary reform by the cabin named Estonia was considered infeasible, whereas later on it was considered as a major factor in Estonia's success. And since the principles of a sustainable cabin worked for that cabin, other cabins started to follow, until the space ship reached an Agreement For A Sustainable Vessel, which ensured its sustainability and the balanced increase in its well-being.

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1.6. There is no alternative to the sustainable use of resources

According to the most widespread definition, "sustainable development meets the needs of the present without compromising the ability of future generations to meet their own needs" (Our Common Future, 1987). A more pragmatic definition by the World Bank is based on the concept of genuine saving (national wealth) – a society's development is sustainable when different forms of capital – produced capital, human capital and natural capital – produce wealth which does not decrease with time. Sustainability covers social, political, cultural and natural environmental aspects. A society's development can only be sustainable when the balance and sustainability of all aspects is ensured.

Efforts have been made to measure sustainability. One of the most thorough efforts to assess the human influence in a complex way is calculating the environmental sustainability index, which resulted in a ranking of 122 countries according to 67 different indicators. Estonia holds a rather high ranking, being 27th. Estonia has gained positive points by successfully improving the environment (decreasing loads), as well as for high (corresponding to the European average) human development indicators (including the indicator for a decreasing birth rate which, in Europe, is in fact a sign of a lack of sustainability). The top rating is held by Finland, followed by other Scandinavian countries, and at the bottom of the list, there are mostly the poor developing countries, but also the oil producing countries such as Kuwait and Saudi Arabia.

Where are the limits for the sustainable use of resources?

In a sustainable economy resources may be used only to the extent that they are renewed. Some material cycles are self-renewable, so their balance may be changed to a certain extent without disturbing the cycle maintenance itself. Non-renewable resources (minerals, fossil fuels, etc.) cannot, strictly speaking, ever be used in a sustainable way. The limits for use of renewable resources are defined by the buffering capacities of natural cycles of carbon, water, etc. A sustainable use of resources should not exceed the rate of the resources' renewal or buffering capacity of the corresponding cycle.

The Earth's climate is influenced considerably by greenhouse gases in the atmosphere, primarily the CO_2 content which determines the quantity of sun energy absorbed in the atmosphere (preventing the heat radiation from the Earth from being reflected out into space). Thus CO_2 content in the atmosphere influences the temperatures on Earth. Recent studies have conclusively shown that the increase in the concentration of greenhouse gases, which has been observed during recent decades, has a direct link with human activities.

The carbon cycle changes have an impact, through the climate, on other cycles as well (especially the water cycle). The thawing of glaciers brought about by the warming climate would result in a rise of the water level of the world's oceans, which in turn will result in the disappearance of extensive low-level coastal areas. If the average temperature were to rise by just a few degrees, at least one billion people would become homeless. According to the most updated calculations by the IPCC we may expect a temperature rise of up to 6°C by the end of this century whereby the sea level would rise by 0.9 metres (Climate Change 2001; Emission Scenarios, 2001).

In order to link the environment's carrying capacity and the use of resources, an indicator named environmental space has been developed (Opschoor, 1987; Siebert, 1982; McLaren, Spangenberg, 1994; Hille, 1997).

Environmental space measures the upper threshold level of a sustainable use of resources, whereas equal rights and equal possibilities should be ensured for all society members to use these resources to satisfy their needs (Spangenberg, 1994). This means that the renewable rate of resource use should be divided by the number of people potentially using these resources. The environmental space of a given state is the sum of the individual environmental spaces of its inhabitants. Global environmental spaces could also be calculated. The environmental space for CO_2 is 1.7 tonnes of CO_2 annually per person, according to the Intergovernmental Panel for Climate Change (Hille, 1997; Spangenberg, 1994).

Calculations show that 5 kg of CO_2 per person is a global daily environmental space, which, when calculated as a petrol equivalent is approximately the amount of carbon dioxide which is released by burning 2 litres of petrol. This indicator of approximately 2 litres of petrol per day covers all direct or indirect uses of fossil energy – for transport, heating, electric energy, fuel for the production of foodstuffs and other goods, delivering them to the consumer, etc. This value of environmental space is valid for the current population and bio-production of the biosphere, as well as for the current values for the CO_2 buffering capacity of oceans.

In fact the global CO_2 emission exceeds the environmental space more than twofold – 4 tonnes per person per year. The European average CO_2 emission is $\sim$ 7.3 t per person per year (Spangenberg, 1994; Hille, 1997) but there are remarkable regional differences. The difference

in carbon emissions per person in wealthy industrial countries compared to poor developing countries is more than tenfold. In all the countries with the highest living standard, emissions are many times greater than the environmental space (in oil-producing countries, they are up to ten times higher) (Human Development Indicators, 2000, data from 1996). In connection with the increase in the number (and living standard) of the population, the share of developing countries has steadily and rapidly increased. However, the 15% of the population who live in wealthy countries are still responsible for ~ 45% of the overall quantity of CO_2 in the atmosphere.

The contribution by Estonia to the global 'cauldron' of greenhouse gases is only ~ 0.1%, but regarding carbon emissions per person, we hold the third place in Europe. Although carbon emission in Estonia has decreased by nearly a half during the independence period, it is still ~ 11.2 t per person per year, exceeding our environmental space more than seven times (Human Development Indicators, 2000, data for 1996). Estonia's carbon emission is on the same level as our developed neighbours (Finland, Germany, Denmark), but the effectiveness of energy use (the amount of GDP produced when burning one tonne of fuel) is significantly lower – the Estonian economy is 4 times less effective than in Finland, lagging ten times behind Japan or Denmark.

How to turn the use of resources into sustainable use?

In order to achieve sustainability, the use of resources should be sharply reduced (to the level of developing countries). This means that we have to learn to manage the economy in a more effective way, in order to ensure the quality of life we have enjoyed up to now. The use of resources in Europe should decrease by nearly 90% for those CO_2 emissions which result from fuel consumption and for the main non-renewable natural resources such as cement, cast iron, etc. (Spangenberg, 1994).

The European Union has set a target to reduce CO_2 emissions to the 1990 level by 2000, and to limit the use of energy by ~ 20–25% by 2010. A so-called Factor-X philosophy has been proposed to approach the sustainable use of resources. According to Factor 4 philosophy, 'wellbeing' should be doubled in the course of one generation (20-30 years), and the use of resources should be reduced simultaneously by half, i.e. multiplying by four the ecological effectiveness. According to the Factor 10 principle, the use of resources in developed countries should be reduced 10-fold in 50 years, and globally, it should be reduced by a half, eliminating at the same time regional differences (Weizsäcker, 1990; Bartelmus, 1999; 2000; Making sustainability ..., 1999).

The first serious attempt to create an economic mechanism to limit the emission of greenhouse gases is the Kyoto Protocol adopted on December 12th, 1997. The Kyoto Protocol is based on the UN Climate Change Convention adopted at the Rio de Janeiro summit in 1992. The countries parties to the Kyoto Protocol have undertaken the obligation to reduce emissions into the atmosphere by 5.2% below the 1990 level by the period 2008–2012. In addition, 39 industrially developed countries adopted individual obligations to limit emissions. The majority of European Union countries and the transition countries, including Estonia, undertook the obligation to reduce emissions by 8%. Russia, Ukraine and some other countries can maintain the current level of emissions, and certain countries can even increase their level – for instance, Australia by 8% and Iceland by 10%. Mechanisms were created for trading emission quotas (Ott et al., 1999; 2000).

On the global scale, the Estonian oil shale based energy sector is small, but one of the most polluting in the world. However, in the Kyoto mechanism Estonia is held up as an example, because instead of a decreasing CO_2 emission by 8% by 2010, Estonia has decreased its CO_2 emissions by 40% by 1994. This is because the base year in the Kyoto protocol was set as 1990, and a substantial decrease of energy production (and use) took place in Estonia in the transition years. This entitles Estonia to sell its unused emission quota, which could be a substantial income for Estonia, when the cost of one tonne of CO_2 could be \$10 to \$100. At the same time, as said, calculations show that Estonia exceeds its CO_2 environmental space nearly eight times. What should Estonia do in such a double standard situation?

BOX 1.3.

In order to achieve sustainability, one should proceed from clear and fair ethical bases – an environmental space concept.

In Estonia, the key problem in launching sustainable development is a rapid transformation of oil shale based energy production, which is intrinsically ineffective and environmentally damaging, into a modern efficient energy supply system. The substitution of the Estonian energy development plan by the NRG agreements, and the 'embalming' of oil shale energy for another fifteen years to come, means that the current energy waste will continue. Our oil shale centred energy philosophy is in a conflict with both the EU environment strategy and global development trends.

Estonia is still part of the energy grid of North-western Russia, because in functioning as an independent

energy system, without Russia, it would not be possible to have even the present poor stabilisation for alternating current, something which is constantly causing us problems. The necessary stabilisation of alternating current, which will also enable the development of renewable energy production, will only be possible when the Baltic energy grids are connected into the European energy grid (through Poland and Finland).

A future significant increase in oil shale electricity prices will result from not only the inevitable non-effectiveness of a monopoly, but also due to international pressure to establish harmonized taxes for pollution, resources, carbon dioxide and energy. These taxes will be considerably higher than those currently valid for the oil shale industry in Estonia – instead of 7.50 kroons per tonne of emitted carbon dioxide, the tax will soon be expected to be from 200 to 1000 kroons. Calculations show that the increase of only CO_2 taxes will raise the kWh price of electricity by 0.50-2.50 kroons. In addition, other (environment) taxes will also be increasing.

What could be a way out? There are certainly no simple and quick solutions here. Until the opening up of the energy market and the development of renewable energy technologies, which will better determine the role of oil shale in the future energy sector in Estonia, the oil shale power stations should probably be renovated to some degree and kept in use. The achievement of sustainability, and the launch of an economy able to function within an environmental space, presume that, energy losses in the production system will be minimised, which in turn is possible only when energy and heat are produced together. This could be achieved by changing the 'energy cocktail' used in Estonia – a (gradual) elimination of oil shale energy and a transition to distributed production of energy, using gas (mainly) and renewable energy resources. Innovative development of renewable energy technologies is globally acute, and it is well worth investing in these — just as it is worthwhile investing in IT or biotechnology or gene technology.

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2 Social Problem Areas in Estonian Society

2.1. Estonian family policy in the European context

Family policy is one of the most important fields of social policy. Almost all developed countries in the world support families with children, whereas the amount of benefits, the target groups and allocation rules can be substantially different. Such differences mostly reflect different concepts of moral, historical and social justice principles in the various countries.

The most common approach for comparing family policies is the description of measures, based on either quantitative or qualitative indicators (share of GDP spent on families with children, description of family policy measures). Most often the expenditure targeted at family policy, as well as women's employment indicators and data for day-care facilities, are compared (Pascall, Manning, 2000; Kamerman, Kahn, 1993; Hantrais, 1999), with some demographic features added (Hantrais, 1999). In addition to the widespread use of income surveys, comparisons of family benefits within household incomes have also been increasingly used (Forssen, 2000; Stropnik, 2000).

The objective of the present article is to provide an overview of the place held by Estonia in the European family policy landscape. Mainly three areas have been studied — objectives of family policy, the measures used and effectiveness of policy. The comparison of family policies is complicated by the difference in definitions (Ainsaar, 2001). In this article, family policy is defined in a stricter sense, i.e. fields directly related to raising children (family benefits, family leave, day-care centers for children). Data on family policy and the indicators of the demographic situation in 24 developed countries has been used to compare differences.

Although the majority of comparative studies on Europe have not included Estonia, there are some exceptions. For instance, Nobile (1994) has compared 29 European countries in 1980 and 1990, according to eight socio-demographic indicators (total marriage coefficient, average age of marriage for women, birth rate for 20–24 year olds, proportion of extra-marital births, GDP per inhabitant, participation of women in the third sector, participation of young women in the labour force, working hours). According to the cluster analysis for 1980, Estonia was the closest to Lithuania, Poland and Bulgaria. Countries in the same group, but not as close were: Czechoslovakia, Hungary, Romania and East-Germany. This group was opposite to nearly all of the rest of Europe. The main feature differentiating the clusters was the female employment rate.

According to the 1991 data, Europe was divided into three large groups. The closest country to Estonia was Portugal, and the same group also included Iceland, Norway, Sweden, Denmark and East-Germany. Other so-called post-socialist countries formed the second group, and the western European countries the third one.

Stropnik (2000) divided (in 1998) European countries into four groups, on the basis of the ratio of family benefits to the average wage, and on the basis of the real value of the benefits. According to this division, Estonia belongs, together with Croatia, the Czech Republic and Hungary, in the group of countries where the transfers, taking into account local income level are relatively high, but low in absolute values.

Forssen (2000) divided European countries into four groups, according to the rigour of family policy legislation and the situation of the poorest group of children: 1) countries with rigorous legislation and relatively good level of income (Finland, Sweden, Norway, Denmark and Belgium); 2) France — rigorous legislation but lower income; 3) weak legislation and good level of income — Germany and Luxembourg and 4) weak legislation and low income (Italy, Netherlands, USA, Australia, Great Britain). Even though this study did not involve Estonia, Estonia could belong to the group with rigorous legislation but relatively low income level countries.

The following analyses are based on data from 1995–2000.

Objectives of family policy

Family policy objectives may be worded in various ways. Often the same words cover different ideas. The German sociologist Kaufman et al has identified seven different family policy motives: supporting the family as an institution, increase of population, economic, social, feminist reasons, and the interests of children. Kernthaler and others (1999) divide European countries into four categories:

Scandinavian countries where family policy is closely tied to social policy, and has the clear goal of equality for all involved parties; German-language countries where the family as an institution has great importance; Anglo-Saxon countries where initially only those needing help the most were supported; and southern European countries where family policy is very recent.

Gauthier (1992) divided European countries into three groups according to their aims. Firstly, countries whose aim is to increase the birth rate (France, Luxembourg, East European countries, Greece). This aim has been implemented by means of family benefits, development of children's day-care opportunities and parent holidays. Secondly, the Scandinavian countries that are also family and children-friendly, but whose aim is the welfare of families, individual rights and achieving gender equality. And thirdly, Great Britain and the Republic of Ireland, where the state supports only the poorest families.

There are no countries in Europe which consider their current birth rate to be too high. Most East European countries consider their birth rate too low and would like to raise it. Estonia is different from its eastern and southern neighbours in that there is a neutral attitude to state intervention aimed at increasing the birth rate, although it is very low. The objectives of Estonian family policy have been worded in the family policy concept which was completed in 2000. According to this document, Estonia's task is to create a stable and secure environment for all children and families with children by ensuring average well-being regardless of where the child lives or the composition of the family. The most important steps to achieve this are to create economically equal conditions for families with children (equal opportunities for men and women; for parents, compared to society in general) and to ensure, at the governmental as well as the individual level, conscious decisions due to the provision of sufficient information.

The financial resources allocated to family policy have been increasing every year in Europe (Social …, 2000), but the amount the countries spend is very different (Figure 2.1). Estonian expenditure on children and family benefits was 1.5% of GDP in 1998, which is less than in developed European countries but more than in many former 'socialist' economy countries and southern Europe. Since the beginning of the 1990s, transfers of family benefits in Estonia have constantly decreased in real value (Ainsaar, 2000; Kuddo, 2001).

Family policy measures

Another way of dividing countries according to family policy is to classify them on the basis of family policy measures. The following is a comparison of the family

TABLE 2.1.

Level of satisfaction with the birth rate and the desire to influence it in some countries

	No intervention	Should be lowered	Should be increased
Satisfactory	USA, Sweden, Moldova, Norway, Netherlands, Malta, Finland, Denmark, Canada, Belgium, Australia	Yugoslavia, Ireland, Iceland, China, Albania	Slovenia
Too low	Japan, Switzerland, Spain, Portugal, Italy, Greece, France, Estonia		Ukraine, Slovakia, Russia, Romania, Poland, Lithuania, Latvia, Kazakhstan, Israel, Hungary, Georgia, Czech Republic, Bulgaria, Byelorussia, Austria

Source: Global …..(2000).

FIGURE 2.1.

Family support, % of GDP, 1998

Sources: Estonia, Latvia, Lithuania, Poland, Bulgaria, Czech Republic, Slovenia, Hungary, Romania, Children ….2000, other Statistics in Focus Theme 3 - 15/2000.

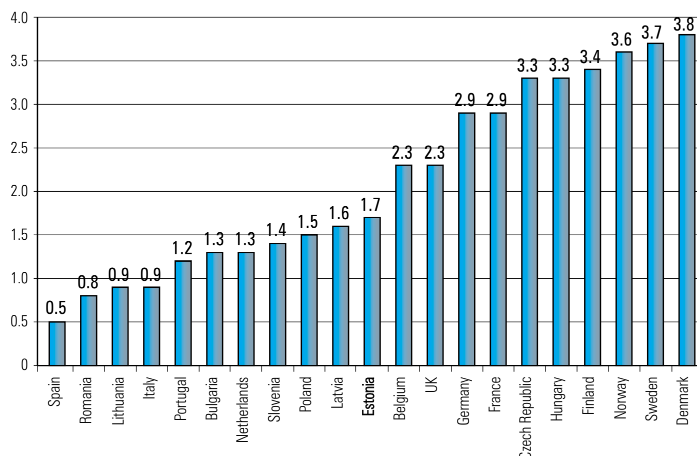


FIGURE 2.2.

Hierarchical cluster analysis according to measures implemented and the proportion of family benefits of GDP

Sources: measures (Forssen 2000), share of family benefits % (Children ….2000 and Statistics in Focus Theme 3 - 15/2000).

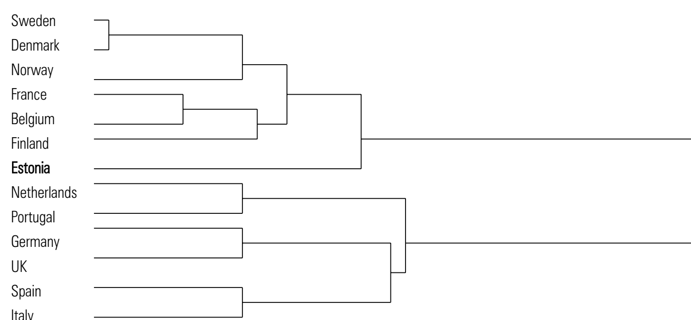


FIGURE 2.3.

Hierarchical cluster analysis regarding the effect of family policy measures (income of a family with 2 children compared to the average salary of an industrial worker, the universality of child benefits, the income of parents with two children compared to the income of two persons without children (Stropnik, 2000), the effect of social policy on alleviating poverty in the 18-24 age group (Kangas, 2000)

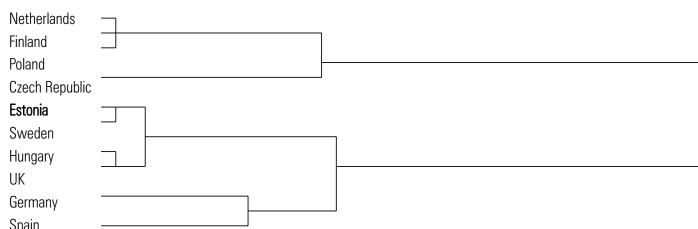
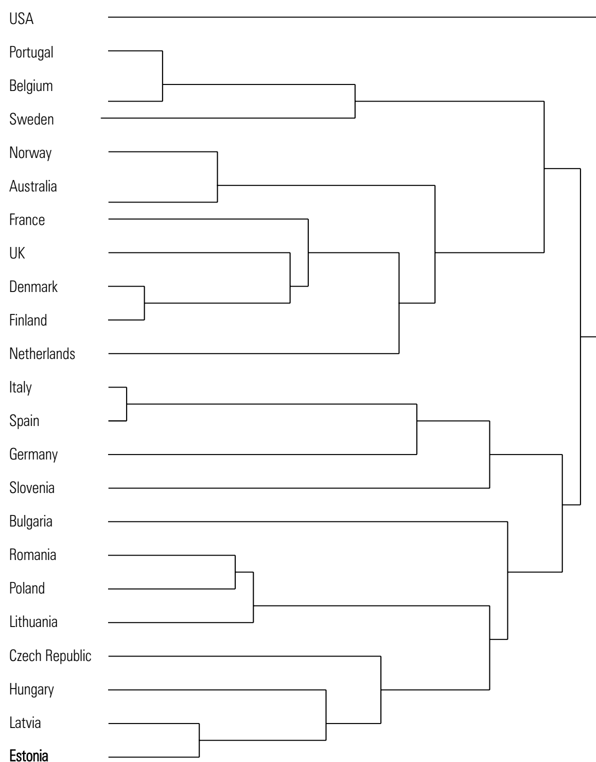


FIGURE 2.4.

Division of countries according to demographic behaviour in 1999 (TFR (First ….2001), age of mother at birth of first child (Below…2000), the share of children under 15 in the population)



policy of countries according to two different types of characteristics. The first one reflects general policy choices and the level of family benefits (Figure 2.2), the other is more specifically about the operation of family policy (Figure 2.3).

When interpreting the results, one should bear in mind that the grouping of countries is determined by the list of selected characteristics, choice and number of objects, similarity or difference of objects, method of analysis and number of clusters (Tiit, Viil, 1992).

According to the criteria of general political choices we can identify four clearly distinct groups: 1) Portugal, Netherlands; 2) Italy, Spain; 3) Great Britain and Germany and 4) relatively child-friendly Scandinavian countries together with Belgium and France. Estonia belongs to the last group as a rather isolated case.

In carrying out the following analysis more specific indicators were used which reflect better the scope of family policy measures and their effect (Figure 2.3). According to this division the closest neighbour to Estonia is a Scandinavian country, Sweden. Other countries belonging to the group with Estonia are Hungary and Great Britain. Finland, for example, is together with the Czech Republic, Netherlands and Poland in the second group, while Spain and Germany form the third group.

Effectiveness of family policy

The evaluation of the effectiveness of any policy is difficult due to methodological problems — the inertia of the policy impact, joint effect of various factors, possible non-causal relationships and other factors. In family policy, the official policy aim is often unclear or multi -valued. Often social policy, including family policy, is measured according to the impact on alleviating poverty (e.g. Kangas, 2000), but this approach could be too narrow, because the aim of the benefits is not just to alleviate the greatest poverty but to also improve the opportunities of all families with children.

Most often, social policy makers have indeed assessed the effectiveness of state measures in the reduction of poverty. It is also popular to look for relationships between policy measures and birth rates (Lutz, 1999). The most frequent conclusion is that even if there is a relationship, it is more indirect than direct, and has only a limited impact (Gauthier, Hatzius, 1997).

In the following section, there is an attempt to classify European countries according to demographic, poverty and family policy indicators at the end of the 1990s. Based on purely demographic characteristics (total birth rate, share of children under 15 in the population, age at birth of first child), we can see clear and classical groups (Figure 2.4), but after adding family policy indicators, obtaining results which can be clearly interpreted is much more difficult. One of the explanations might be that when demographic data and family policy features are considered together, there could be no relationship in real time. Or the relationship is rather complex, so very many other factors should also be taken into consideration at the same time.

First, the countries were analysed according to demographic characteristics (total birth rate coefficient, age of mother at birth of first child), economic welfare indicators (GDP per inhabitant) and state support to families (% of family benefits in GDP). Five groups of countries were thus identified in Europe (Figure 2.5). Four former socialist countries constituted two clearly distinct groups — Estonia and Poland; Hungary and the Czech Republic. The third and the fourth groups included Scandinavian countries and Anglo-Saxon countries (Germany, France, Belgium, Great Britain) and the fifth group was formed by other East and South European countries. Estonia is in this comparison rather closer to Scandinavia and the Anglo-Saxon countries than to other East European countries (except Poland).

After replacing the average economic level of a country, and state budget allocations to families, with indicators of poverty and social policy effectiveness in alleviating poverty, the picture was quite different (Figure 2.6). Estonia was closest to Spain. It was somewhat surprising that Sweden and the USA fell into the same group.

In conclusion it may be asserted that Estonia rarely belongs to the same group as other East European countries. Despite its low birth rate, Estonia has never considered it important to express the wish to increase birth rate as a state objective, but has rather adopted the attitude of Scandinavian countries and other western European countries, where it is important to create equal opportunities and to remove obstacles which limit the births of children.

In its demographic behaviour and the structure of its family policy legislation, Estonia has much in common with other East European countries, but the actual funding of this sector, its priorities and effectiveness vary to a great extent. As to family policy measures, Estonia is closer to the Scandinavian countries, but taking into account policy effectiveness, the situation is somewhat less clear. Although Estonia has maintained the universal child benefit system, the income tax exemption entering into force in 2001 will be the first step towards differentiating state support.

FIGURE 2.5.

Division of countries according to fertility-related behaviour and general family policy resources (total birth rate coefficient (First…2000), age of mother at birth of first child (Below…2000), GDP % for family benefits (Children ….2000 and Statistics …2000)

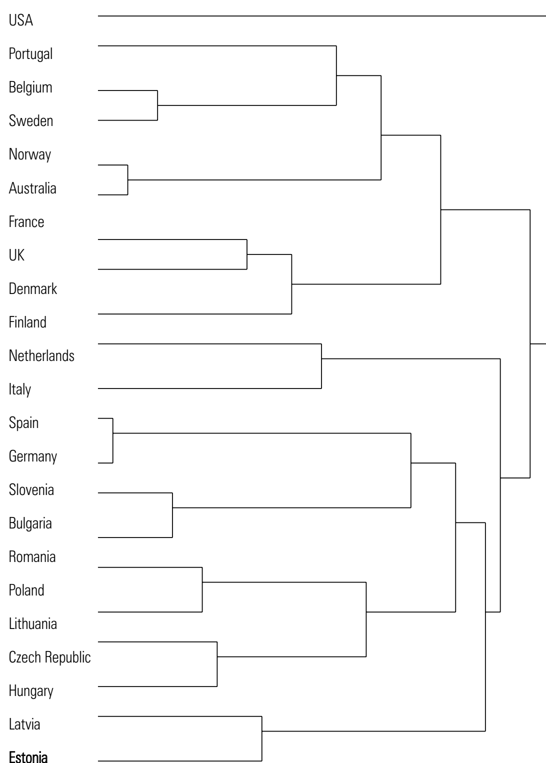


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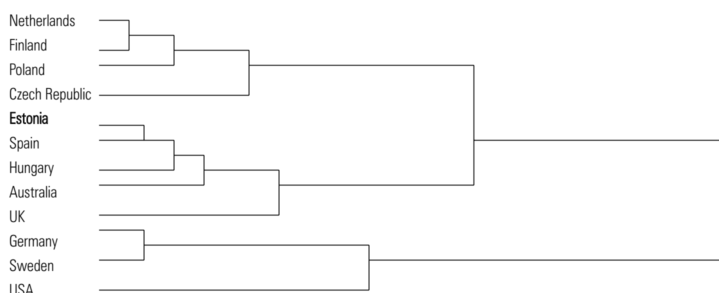
FIGURE 2.6.

Division of countries according to poverty and demographic situation (total birth rate coefficient (First…2000), age of mother at birth of child (Below…2000), poverty amongst under 24 year olds and its reduction due to social policy (Kangas 2000)



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2.2. The aging society: how senior citizens live and cope

A society is considered an aging society when seven per cent of the population are 65 or over. 15% of Estonia's population belongs to this category and according to the UN population forecast for 2030, one quarter of the Estonian population might be seniors by then (Statistics Yearbook for Estonia, 2000).

The challenges for a society with an aging population might be listed as follows: ensuring that seniors are able to cope, where the precondition is a sufficient income from their pension; ensuring harmony between generations; avoiding discrimination related to age and adopting a senior citizens policy. For aging people, major changes also occur in the composition of households, responsibilities within the families and new care relationships.

An updated definition of a senior

During recent decades, awareness regarding age has risen. It is increasingly widely known what aging means, how it should be regarded and how to influence aging. Seniors, the middle-aged and the young identify with their respective generations, in which the relations may be different — from shared responsibility to competition, or even direct conflicts. It is important that when aging takes place and economic resources decrease, that there be solidarity between the generations.

Old age is no longer defined by the fact that one retires. The post-retirement period may be an active one for seniors and last many decades. More and more frequently, international gerontology publications refer to 85 as the old age limit, after which diseases and reduced working capacity may result in a greater need for help and dependence on others. The classification of aging people according to age includes *young* or *new seniors* (55–69 years), *middle seniors* (70–79 years), *old seniors* (80–89 years) and *very old seniors* (over 90 years) (Koskinen et al., 1998).

The new concept of senior emphasises that aging is a lifelong process, with biological, psychic and social changes. Aging processes are also relevant to children, young people and middle-aged people, and it is difficult to understand old age without knowing about the other stages of life. Three circumstances have an impact on aging in the

post-modern society: lengthening of the human life span, variations of aging, whereby the emphasis is on the individuality of aging speed, and the influences of different generations (new families, families with four and five generations).

Studies (Walker, Maltby, 1997; Phillipson, 1998; Koskinen, 1998 etc.) have shown that a person is in every aspect more individualistic as an old person compared to the young or middle-aged. The new concept of aging does not stress the homogeneity of seniors: that all suffer from feebleness, poverty and marginalisation. In addition to the medical approach emphasising the diseases of seniors, or even in its place, we now have a new, socio-cultural viewpoint.

Following on from a concept widely accepted during the 20th century when increasing numbers of institutions were created to deal with seniors, the new approach which emerged on the threshold of the 21st century has led to the extension of open care, and the joint use of different forms of health care and social welfare (i.e. social, health and cultural services). Even today seniors in Estonia are active citizens who try to find ways for self-achievement (participating in associations, societies and clubs, in day center activity groups, in training, etc.).

"The Bases of Estonian Policy for Seniors", which was approved by the Government on September 28, 1999, focuses on the targets, strategy and guidelines related to the position and living conditions of seniors. The following areas are under scrutiny: family and environment; public health and social care; working and coping; education, culture and sports; information, statistics and research; NGOs and self-help; regional and international cooperation. The priority of the policy for seniors is to create opportunities for seniors to enable them to cope independently and to grow older in an active way. According to the welfare theory by Erik Allardt (1996) both objective and subjective factors are important for coping: account should be taken of the living standard of seniors, relations with people around them, self-achievement, vitality.

Discussions about the future pension system tend to become wider debates about the status and self-definition of seniors in our society. An Estonian policy for seniors which looks at society with its changing balance between age groups is still being developed. It would be useful to launch an aging programme which could support the state policy for seniors. While designing such a programme, account should be taken of research already performed in this area, demographic indicators and the viewpoints of social and health workers.

How seniors cope, and the necessity of services

A study was carried out within a joint project involving the Open Estonia Foundation and the Estonian

FIGURE 2.7.

How seniors assess their economic coping (N = 811)

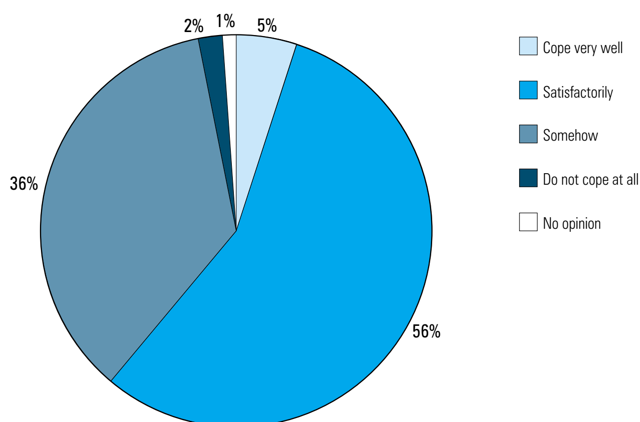
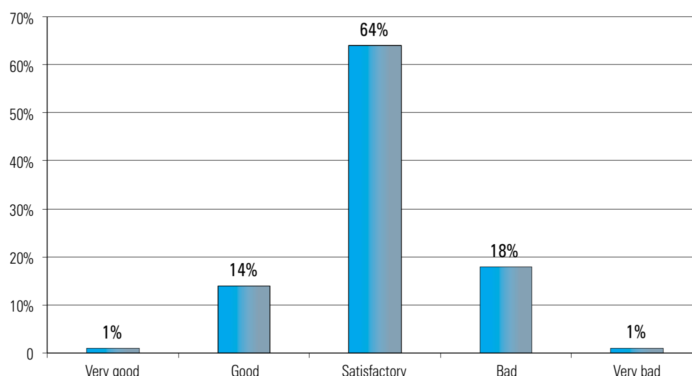


FIGURE 2.8.

How seniors assess their health (N = 811)



Association for Gerontology and Geriatrics in order to map the coping level of seniors and the opportunities to implement a policy for seniors (Tulva, Kiis, 2001). The following data has been obtained by questioning municipality employees (N=255), and quantitative (Saks, Tiit, Käärik, 2000) and qualitative analyses of a survey of Estonian seniors (N=1000).

According to the poll carried out on seniors, more than half (61%) of seniors cope economically in a satisfactory way (see Figure 2.7). As the chart shows, more than a third of pensioners (38%) have difficulties in coping, despite their non-demanding lifestyle. Seniors living alone have more coping difficulties — and at the same time they make up more than a half of all pensioners. They live in an expensive apartment with central heating, hot water and other comforts, and they have no supplementary income (garden allotment, seasonal work or part-time job, etc.).

According to the poll for social workers, the main problems of seniors are primarily low incomes and the resulting coping difficulties (74%), and only then health (65%). The seniors could assess their health on a scale from 1 to 5 (1=very bad; 2=bad; 3=satisfactory;

4=good; 5= very good). The majority (64%) of seniors considered that their health was satisfactory (see also Figure 2.8).

The seniors consider that 43% of them need no help from others in order to cope with everyday life. Daily help by other people is needed for 10% of seniors and 3% are totally dependent on such help. Starting at 80 years of age, the need for supplementary help increases sharply.

The social workers' poll brought out the fact that seniors need services to support coping. Priority was given to the need to extend help at home: delivering hot meals, supply and delivery of heating materials, chopping firewood etc. The social workers assessed that these services are lacking mainly for financial reasons. Many seniors cannot afford public sauna or bath services. Social workers and seniors themselves have stressed the need for day centres. Many of them think that day centers could help in extending the scale of services, from social contact opportunities to laundry-washing.

The need for day-care for seniors with dementia is becoming increasingly important. There is not only a lack of money, but a lack of specially trained staff as well, without whom it is impossible to provide such services. According to the Social Care Act, social workers should have higher education, but there are only 13% of such workers while 23% of social workers are currently studying at higher education institutions.

The outcome of the poll with seniors was that 23% were satisfied with services. Men need permanent care more than twice as much as do women. In general, most of those who receive social services and social support live alone, while those who live together with working family members are in a minority. It is difficult for social workers to solve seniors' problems which are of a psychological nature, but these comprise over a quarter of all the problems mentioned (27%). In this category are the complicated relations of a senior with children and family members, their loneliness and lack of social contact, as well as passivity. Another problem, which is difficult to solve, was that some seniors refused to move into social care accommodation or into a social care establishment, although they could no longer cope with living in their own homes.

The answers given by seniors showed that 64% of seniors were satisfied with their lives. Since satisfaction with life is a subjective criterion of coping skills, the poll data attests mainly to the indulgence and patience of Estonian seniors. As the number of childless pensioners increases, the seniors' degree of satisfaction is expected to lessen. In Estonian culture it is considered normal that adult children take care of their elderly parents. Often 'the children' are not able to do that. Everything must be done in order to preserve the relations of seniors with their family members, and the opportunities to help provided by neighbours and friends should also be used.

The indicators characterising the welfare of seniors could be: subjective satisfaction with life, a functioning social network, existence of coping resources and participation in self-help movements. Of course, one would expect that all members of society are ready to accept an aging society and that they would also take a positive stance regarding their own aging process.

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2.3. Suicides in Estonia, 1970–2000

In order to be able to interpret behavioral processes, focus needs to be on assessing the causal relations stemming from individual and societal factors. In other words, researchers are interested in knowing to which extent a phenomenon is related to individual circumstances such as biological, psychological and genotype-related causes and to which extent the phenomenon is related to environmental factors. The radical social and political changes, which accompanied the dissolution of the Soviet Union, have turned Eastern Europe into an area of extensive social experimentation. This is turn means that we can assess the

impact of environmental factors on human behaviour, including those related to health and death rates.

The social aspect has been convincingly demonstrated in the trends of suicide deaths in the former Soviet Union republics, since they are measured in a population of nearly 300 million. Figure 2.9 shows a very high suicide death rate in the male population but a drop of nearly 40% during the first three years of *perestroika*. The suicide index for females is 4 to 5 times lower and the *perestroika*-related drop is not particularly marked (18%) (Värnik, 1997a, 1998).

The well-known sociologist and suicidologist Emile Durkheim (1951) was the first to claim more than 100 years ago that the number of suicides shows the overall cohesion of society and that the main issue is the level of social integration. At the same time, Durkheim found that suicides are provoked by both too strong and too weak integration. Later on, researchers have stressed the phenomena of weak integration and a poor social network within those societies where the suicide rate is high.

The Estonian suicide curve moves in harmony with social and political flows

The database of the present report has been constituted according to data from the archives of the Statistical Office. The objective of the research is to observe the suicide curve in Estonia during the last thirty years, according to the integration level of society.

The suicide curve in Estonia, 1970–2000 may, due to its shape, be conditionally divided into two (Figure 2.10), corresponding to different socio-economic and political periods (Värnik, 1997b, 2000). During the first fifteen years of the period under observation, the so-called stagnation era, the index of suicides was permanently high and showed a slightly increasing tendency. During the last sixteen years, i.e. the period of reforms, which was a series of radical historical events, the suicide curve has taken an S-shape. At the same time the average suicide indices of the two periods are almost identical.

The stagnation period (1970–1984) was characterised by the isolation of the entire Soviet Union from the rest of the world, as well as by strict censorship regarding freedom of expression and freedom to publish, by suspicion, double standards and identity crises. The integration of individuals was overregulated, resulting in reactions of passive resistance, alcoholism and suicides. Any utilization of psychiatric assistance was unpopular. It was taught that suicidal behaviour was a symptom of mental disease, whereas the psychological and social reasons for suicide

FIGURE 2.9.

Suicides in the former Soviet Union

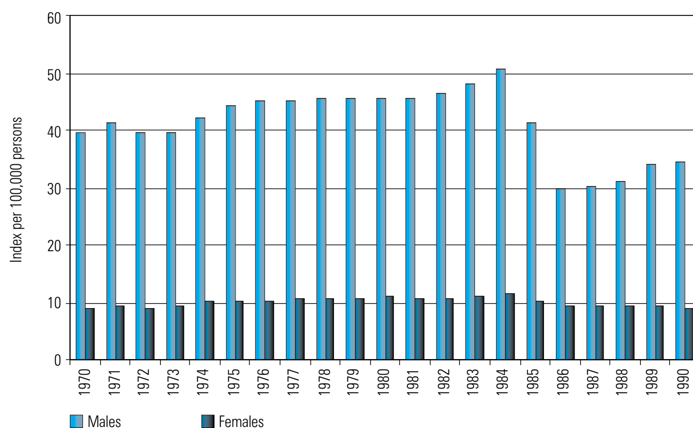
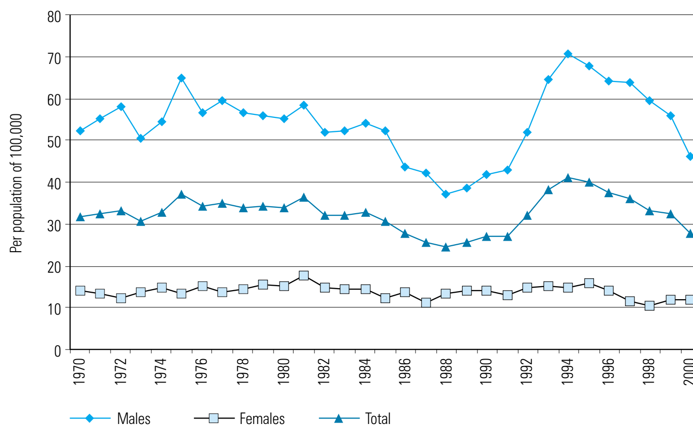


FIGURE 2.10.

The suicide curve in Estonia, 1970–2000 (the suicide indices have been calculated for males and females, respectively, for a population of 100,000)



were considered irrelevant. Suicidal patients were forcibly incarcerated in psychiatric hospitals under strict medical surveillance.

The period of reforms started after Gorbachev came to power in 1985. Hope-inspiring political reforms occurred in Estonia, including a congress of representatives from creative associations, the events of Hirvepark and the Singing Revolution, which created a close and emotional bond amongst Estonians and democratically-minded non-ethnic Estonians. The very strict alcohol policy which was implemented during the first years of *perestroika* can also be considered significant. Against the background of those events, the suicide index dropped by a quarter both in Estonia and the other Baltic countries. Suicidologists call the events which occurred within the Soviet Union the most effective prevention of suicides during the past century (Värnik *et al.*, 1998; Wasserman *et al.*, 1994; Wasserman *et al.*, 1998; Wasserman, Värnik, 2001).

FIGURE 2.11.

Male:Female suicide rates in various regions of the world, and in countries with a higher suicide rate
(1985–1996, WHO)

Source: Bertolote, 2001.

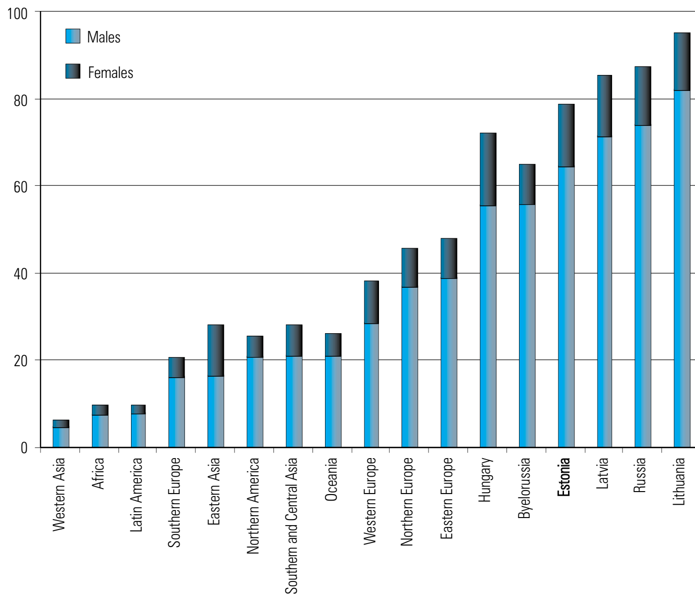
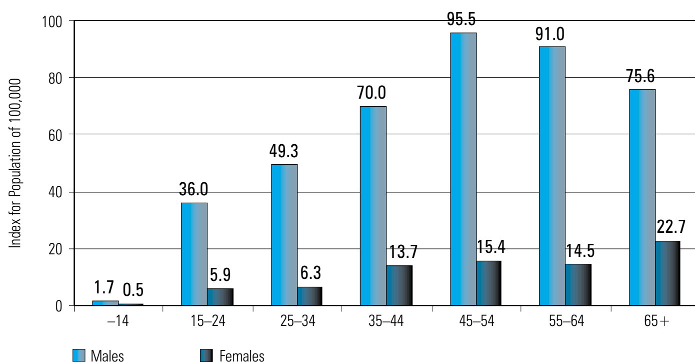


FIGURE 2.12.

Suicide rates per 100,000 according to gender and age group
(1998–2000 average rates)



The extensive economic reforms which followed these events required the ability to quickly adapt as well to reassess past values and lifestyles. The suicide curve shows that many people could not cope with these requirements. Since 1989, the number of suicides significantly increased, and reached the highest level of the 20th century in 1994, when 614 suicides were registered in Estonia (41 deaths per 100,000 inhabitants). On the basis of existing observations it may be suggested that the stagnation period pushed to suicide those who felt trapped by restrictions to their freedom and by fake moral standards. However, in Estonia after the re-establishment of independence, there are other categories of people who are unable to cope. These are mainly people in the extreme categories – those who learned to be helpless in the Soviet Union, where relations between individuals and the state were overregulated, or those who became alcoholics. The other extreme category includes people who take unreasonably large risks, as well as those whose expectations of a free Estonia have been disappointed.

During recent years (1995–2000), the suicide curve in Estonia has shown a steady trend downwards (Värnik *et al*., 2001). Various theories could be put forward to explain the reasons for this trend. According to the mechanical approach, it might be presumed that the system underwent fluctuation after being pushed out of balance, and was now stabilizing at the previous level. It could be concluded that the situation in Estonia has stabilized and that the very hard times are over. One cannot overlook the fact that psychiatric and psychological assistance is more professional now and is seen as more acceptable for those who need it. Suicidology-related knowledge is more widespread – among experts, organizations which offer emotional help and the entire population.

The suicide curve in Estonia is similar to those in the other Baltic countries (Värnik *et al*., 2000; Värnik *et al*., 2001; Wasserman, Värnik, 1994), in Byelorussia and Russia (WHO Department of Mental Health, 1999a, b), but is not similar to the general European trend in 1972–1990 (Wasserman et al., 1997). The trend also differs from that of our kindred peoples, the Finns and the Hungarians, in 1970–1993 (Värnik, 1997b). This permits the suggestion that the frequency of suicides is genuinely related to social and political circumstances. At the same time, what is happening in society is interpreted and received by the individual alone. Consequently the strengthening of mental resistance and the development of coping mechanisms are other factors, in parallel to the creation of a more favourable environment, which help to prevent suicides.

Differences in suicide curves for men and women

According to data from the World Health Organization, men are more likely to commit suicide. The ratio of men to women in western European countries is 3:1, on the average. The situation is exceptional only in China where women commit more suicides than men, the corresponding ratio being 0.8 to 1 (Bertolote, 2001).

The suicide male:female ratio in Estonia is 4–5:1. The suicide curve for women is not very mobile so social

and economic events are poorly reflected there. The curve for males, however, does react to social and political changes, so the male:female ratio exhibits major differences during various periods (Figure 2.10). The higher number of male suicides in general, and on the territory of the former Soviet Union in particular, could be explained by the fact that more men than women like alcoholic beverages. It could also be explained by the different hypotheses set up in different studies, according to which men are more sensitive to changes within the social network.

Differences according to age

Traditionally the probability of committing suicide increases with age. It is also known that social ties loosen in the older age groups (Bertolote, 2001).

Nowadays a growing tendency of suicide risk has been observed among young people, especially in the 15-24 age group (Cantor, 2000).

In Estonia, during the entire period under observation, the main risk group has always included middle-aged men (Värnik, 1997c). The average indicator for 1998–2000, as to the breakdown of men according to age in Estonia, has its peak for the 45–54 age group (Figure 2.12). Suicidal tendencies for women increase with age, with the pattern and figures for the age breakdown in the separate age groups similar to worldwide averages. However, the average of similar indicators for men are very different from the world level – both regarding the high rates and the pattern of age breakdown. The suicide index for Estonian men within the 45–54 age group is three times higher than the world average (Bertolote, 2001).

42% of the males committing suicide in Estonia belong to the age groups between 35 and 54. For women, those aged 65 and over make up more than a third of female suicides.

It is difficult to explain the high number of male suicides. From the aspect of social integration, job loss or separation from spouse or partner often becomes fatal for this age group – all this often being related to alcohol abuse. At the same time, alcoholism and suicidal trends have somewhat similar roots. Apparently, one of the reasons is also the fact that in our traditional society men who experience internal crises do not consider the seeking of help to be suitable behaviour. It could be said that Estonian men prefer to suffocate in their silence.

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2.4. Penal policy in Estonia, 1991–2000

Crime control, including penal policy, may be observed in a wider social context, since this is the way the fundamental values of society are protected. The control of criminality, directly addressing criminal behaviour, reproduces a certain social and cultural environment. In the process of controlling criminality, social capital is created (public condemnation, punishment as a reaction to the violation of generally accepted norms, compensation of damages caused etc.).

TABLE 2.2.

Number and ratio of prisoners per 100,000 inhabitants in Estonia as of January 1, 1992–2001

Year	Number of prisoners	Number of prisoners per 100,000 inhabitants (prison rate)
1992	4,408	281.4
1993	4,778	309.4
1994	4,514	297.6
1995	4,401	293.5
1996	4,224	284.6
1997	4,638	315.7
1998	4,790	328.5
1999	4,379	302.5
2000	4,712	343.8*
2001	4,777	349.5*

* *Calculated according to the preliminary estimation of population that may change due to recent population census data which will be more precise.*

TABLE 2.3.

Number of persons released from prison, 1999–2000

Reason for release	Number of persons, 1999	Ratio (%)	Number of persons, 2000	Ratio (%)
End of time of imprisonment	979	73.9	1,130	74.4
Pre-term release	341	25.7	351	23.1
Pardon	2	0.1	1	0.1
Health reasons	3	0.2	7	0.5
Other reasons	1	0.1	29	1.9
Total	**1,326**	**100.0**	**1,518**	**100.0**

The practice of crime control is inseparably related to the historical development of a specific country. This explains why the principles and methods of crime control are significantly different from country to country within the same cultural area. The differences are expressed by attitudes towards the death penalty, imprisonment, etc., which along with the development of the society undergo changes in certain directions (e.g. in the dimension totalitarianism-democracy). It is not an accident that the death penalty, which in many European countries had already been abolished at the beginning of the 20th century, was re-established in some countries with authoritarian governments in the inter-war period (1930 in Italy, 1935 in Spain).

How should we compare penal policies and their development in different countries? In modern criminology penal policies are increasingly compared according to the number of prisoners[1]. The number of prisoners is considered a complex indicator, formed by different factors such as the (penal) policy agreement dominating within the society, attitudes of the entire population and legal community as to the strictness-leniency of punishment, crime rate, share of prison punishments provided by criminal legislation and the length of such punishments, as well as procedural rules of pre-trial investigation and sentence serving[2].

The role of incarceration in Estonian criminal policy is characterised by the following data: a total of 4777 inmates were in places of detention, as of January 1, 2001. Compared to January 1, 2000, there were 65 more in 2001, or an increase of 1.4%[3]. 3236 persons or 67.6% of all prisoners were those serving their sentence, and whose share had increased compared to the previous year. 1541 persons were held in pre-trial imprisonment, including 967 or 62.7% who were suspects in a preliminary investigation (remand prisoners). For the rest of the inmates, their sentence had not yet come into effect. The number of persons in pre-trial imprisonment had decreased by 6.0% compared to January 1, 2000 (1639 persons at that time). Consequently the number of prisoners has increased mainly due to those serving prison sentences.

The number of prisoners has remained relatively constant throughout the whole independence period[4]. As the number of Estonian inhabitants has decreased at the

1 For comparative purposes the number of prisoners per 100,000 inhabitants or prison rate is usually calculated. Differences in culture and penal ideologies are also reflected in the different names of corresponding institutions: prison, place of detention, correctional facility, etc

2 The number of prisoners is also influenced by demographic factors. If the group of males in the population between 18 and 29 with a high criminal activity level increases, it constitutes a precondition for the increase in the number of prisoners. Within the limits of the present article it is not possible to address that aspect in the Estonian context.

3 Another possibility to compare the numbers of prisoners, in addition to the situation on January 1, is to take the annual average number of prison inmates.

4 The number of prisoners during the occupation period in Estonia exceeded 8500 in the mid-1980s, which is more than 550 per 100,000 inhabitants. Military personnel in prisons were not included in that figure. Refer to Saar, Jüri (1996). Penal policy: international trends and Estonia. In Juridica International: Law Review University of Tartu, pp. 62-68.

same time this means that there are more inmates in prisons per 100,000 inhabitants at the end of 1990s as compared to the beginning of 1990s.

In 2000 the number of inmates released from prison institutions was 14.5% higher than in 1999 (respectively 1518 and 1326). Among those released in 2000, were 1130 persons whose sentence term had been completed (679 in 1999), and 351 were released before the end of their sentence (341 in 1999). In 2000 the proportion of those with pre-term release was less in the total figure of those released, but release for other reasons became more frequent. This was probably due to the negative public reaction regarding the more frequent use of pre-term release and probation terms in Estonia since 1998.

In 2000 the majority of prisoners were those convicted for property crimes (52.9%), i.e. 1.3% higher than in 1999. Compared to the previous year the number and share of those convicted for robbery has increased (424 persons or 13.0% in 2000 and 353 persons or 11.8% in 1999). The share of those who had committed violent crimes was 33.1%, or 2% less compared to 1999 (35.0%).

As of the end of 2000, there were 26 inmates serving a life sentence in Estonian prisons (Central Prison) — at the end of 1999, there were 24.

The average term of imprisonment in 2000 was 4.7 years, which was 0.7 years more than in 1999. The most frequent term was 5 to 10 years of imprisonment, and this had been set for 38.4% of prisoners. In 1999 there were 40.1% of such prison inmates. The share and number of inmates whose imprisonment term is between 15 and 20 years has increased considerably in 2000 as compared to 1999. The number of shorter sentences (up to 3 years) has slightly increased as well. The general trend is the lengthening of sentences.

The average age of inmates (those who are serving sentences, i.e. those who have been convicted by the courts and sentenced to imprisonment) was 27.7 years in 2000 and 29.5 years in 1999. During the last three years, the average age of prison inmates has decreased. The biggest age group is still 31 to 40 year olds.

In 2000 the group comprising Estonian citizens was the biggest among the prison inmates, with their share increasing by nearly 2% since 1999. The share of stateless persons who were the biggest group in 1999, decreased somewhat in 2000.

What position does Estonian penal policy and prison rate hold as compared to other European countries? The Scandinavian countries are characterised by a low number of prisoners per 100,000 inhabitants: 53 in Norway, 56 in Finland and 59 in Sweden[5]. West European states

TABLE 2.4.

Convicts in prison according to crimes committed, 1999–2000

Crime committed	Number of persons, 1999	Ratio (%)	Number of persons, 2000	Ratio (%)
Violent crime	1,049	35.0	1,077	33.1
incl. intentional homicide	532	17.7	642	19.7
Rape	134	4.5	143	4.4
Property crimes	1,548	51.6	1,720	52.9
incl. theft	765	25.5	827	25.4
White-collar theft	340	11.3	427	13.1
Robbery	353	11.8	424	13.0
Public order crimes	301	10.0	312	9.6
Other	101	3.4	142	4.4

TABLE 2.5.

Sentence terms in Estonia's prisons, 1999–2000

Term of sentence	Number of persons, 1999	Ratio (%)	Number of persons, 2000	Ratio (%)
Up to 1 year	137	4.5	172	5.3
1–2 years	311	10.3	443	13.7
2–3 years	406	13.5	453	14.0
3–4 years	292	9.7	275	8.5
4–5 years	323	10.7	235	7.3
5–10 years	1,209	40.1	1,245	38.4
10–15 years	333	11.0	319	9.9
15–20 years	4	0.1	88	2.7
20–25 years	1	0.1	5	0.1
25–30 years	0	0.0	1	0.1
Total	**3,016**	**100.0**	**3,236**	**100.0**

TABLE 2.6.

Prisoners according to age, 1999–2000

Age group	Number of persons, 1999	Ratio (%)	Number of persons, 2000	Ratio (%)
15	4	0.1	4	0.1
16	14	0.5	20	0.6
17	35	1.2	40	1.2
18–21	436	14.5	518	16.1
22–25	428	14.2	660	20.4
26–30	682	22.6	641	19.8
31–40	782	25.9	797	24.6
41–50	460	15.2	416	12.9
51–60	129	4.3	100	3.1
60 and older	46	1.5	39	1.2

[5] Data for 1997 , see European Sourcebook of Crime and Criminal Justice Statistics. Directorate General I, Legal Affairs, Strasbourg 1999, p. 181.

TABLE 2.7.
Prisoners according to their citizenship, 1999–2000

Citizenship	Number of persons, 1999	Ratio (%)	Number of persons, 2000	Ratio (%)
Estonian	1,419	47.1	1,583	48.9
Stateless	1451	48.1	1491	46.1
Foreign citizens	146	4.8	162	5.0
Total	**3,016**	**100.0**	**3,236**	**100.0**

are also characterised by relatively low prison rates although these are higher than in Scandinavia: 62 for Denmark, 82 for Belgium, 87 for Netherlands, 90 for Germany, 90 for France and 120 prisoners per 100,000 inhabitants in England and Wales. The prison rates in East European countries are higher than the above figures: 136 in Hungary, 138 in Slovakia, 148 in Poland, 209 in the Czech Republic. The corresponding figures for the former Soviet republics is very high and different from all the abovementioned countries: 263 in Moldova (1996), 415 in Ukraine and 713 in Russia (1996). And finally the prison rates for the two Baltic states: 356 for Lithuania and 407 for Latvia[6].

As we can see, the picture is clearly different in western European democratic countries and in the new democracies, but quite similar as compared to the former Soviet republics belonging to Russia's zone of influence. The Baltic countries, including Estonia, remain between these two big areas or spheres of influence according to the character of their criminal policy (prison rates).

The long-term experience of many countries in the field of penal policy, as well as results of scientific studies, strongly demonstrate three circumstances:

1) despite relatively widespread opinion amongst the public and politicians, there is no direct relationship between the frequency of using imprisonment and the level and structure of criminality;

2) reducing imprisonment does not automatically result in an increase in criminality or an actual decrease in public security;

3) the attitudes of people as to the strictness of punishment of criminals are considered tougher than they actually are and the population's attitudes towards punishments are changable.

The American case is an illustration of the fact that the increase in numbers of prisoners is not generally due to a high level of crime and will not result in a reduction of the crime level. In the United States of America the actual number of prisoners is about 1.5 million which is approximately 600 persons per 100,000 inhabitants. This is almost the highest prison rate in the world, only Russia has a higher corresponding number.

Despite a dramatic increase in the number of prisoners since 1970, the level of criminality in the US has not increased according to most types of crime, rather the opposite. For instance, the level of homicides that has 'fluctuated' during this period between 11 and 8 cases per 100,000 inhabitants in a year and which is high compared to other countries, has not increased during the period under observation. The same holds true for any violent crime rate and many types of property crime in the US, which in the 1990s showed a decreasing trend.

The high number of prisoners in that country is thus not explainable so much by a complicated crime situation but rather by a shift in penal policy whereby imprisonment sentences became tougher and are set more often. This concerns primarily drug-related crimes and repeated serious offences for which the minimal imprisonment sentences in the US have remained lengthy. As a result 3% of the US population is serving some kind of criminal sentence at this very moment. Afro-Americans who make up 12% of the whole population comprise 74% of those serving prison sentences, and every third Afro-American aged 20 to 29 is currently serving a sentence.

In Finland the same period has been characterised by an opposite process in the field of penal policy. Whereas at the beginning of the 1960s Finland was still characterised by a high number of prisoners as compared to other west European countries and especially Scandinavian countries — approximately 150 prisoners per 100,000 inhabitants — today the corresponding figure has decreased by more than a half, i.e. it is now less than 60. The number of prisoners in Finland has constantly fallen as of World War II, but the development of criminality during the same period has been rather different. The general level of registered crime has increased there since the end of the 1960s (Lappi-Seppala, 2000). The number of intentional homicides during the first five years after the war increased in Finland, then dropped until the beginning of the 1970s, when a new period of increase started which lasted a decade. In the 1980s and 90s the homicide rate in Finland dropped again, and it is now less than 3.0 cases per 100,000 inhabitants per year (Lehti, 2001). This demonstrates that the dynamics of criminality and the dynamics of the number of prisoners are not synchronous in the US or Finland. And these two countries are not exceptions, but rather the rule in this respect. Criminality is apparently quite spontaneous

6 The idea of constructing such geographical zones according to the number of prisonerswas expressed by Nils Christie. (See Christie, 1997).

in its nature, depending on the general developments within society, but the punishment of criminals is a more planned and targeted activity, which has its own results and impacts on society's development.

So, the US population, compared to Finland and Europe in general, is characterised by a high level of fear, which is out of proportion, of being a victim of crime, and by more punitive attitudes towards criminals. The media, and lobbying by the prison system, probably have more to do with the creation and preservation of this fear than does the actual crime situation.

The modification of the attitudes of the Finnish population and the dramatic drop in the numbers of prisoners is often associated with the criminal policy reform which was initiated by the intellectual and administrative elite who had attended university in the 1960s and had taken leading positions in universities and judicial administrations in the mid-1970s. This process was concluded thanks to changes in legislation and the implementation of specific measures, based on the changed value-attitudes of the judicial community, and especially the judges, regarding the punishment of criminals[7]. The following measures could be mentioned: decisive reduction of preventive imprisonment measures (primarily pre-trial imprisonment during preliminary investigation), increase in monetary fines and suspended sentences (e.g. for traffic-related crimes), development of new penal alternatives (community service, for instance), further development of interventions aimed at minor delinquents and fully developing the probation system. The Finnish think that one of the corner stones of the success of reforms is the fact that the issue of changing penal policy never became a subject of political debate but in this field there existed an agreement between different political forces. Defending liberal and human penal policy in political debates is a complicated problem which usually profits no one involved. It is much simplier and safer to attract electors with populist slogans.

The attitudes of Estonians as to the strictness of punishment are characterised by replies given to a victim survey question carried out in 2000: "What would be fair punishment regarding a 21 year old man who stole a TV set, and was convicted for a second burglary?". The respondents could select from among the following types of punishment: monetary fine, prison, community service, suspended prison sentence or any other type of punishment. The majority preferred community service (51%) and those in favour of a prison sentence had dropped from 40% in 1995 to 23% in 2000. Comparison with the corresponding indicator in Finland (19%) clearly shows that the punishment attitudes among Estonians have become milder and do not significantly differ from the corresponding indicators in Finland.

Finally it should be said that the penal policy which originates from the Soviet period and which the re-independent Estonia 'inherited', has not yet been changed to the degree that it could correspond to European standards. Although major restructuring has occurred in prisons (replacing the military model by the civil one, creating a training system for guards, improving daily living conditions for inmates, etc.), the number of prisoners has remained more or less stable.

In a sense, we have not been able, in this field, to clearly and unambiguously choose between eastern and western orientations in the way we have managed to do in so many other spheres of society life. Looking at the tendencies in Estonian criminal policy during recent years, we have to admit that we have not progressed at all.

We can reach the desired result only by long-term continuous changing of penal policy with the objective to reduce the number of prisoners to the level of other democratic European countries. The new Penal Code which will enter into force in Estonia next year will probably have an important effect on the number of prisoners. If the Code results in an increase in the number of prisoners, then this very important aspect has not been taken into account and that will merely postpone the settlement of the issue.

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[7] See the list of legislative changes in Finland which have had an impact on the number of prisoners (Törnudd, 1993).

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2.5. Opportunities in Estonian society for the Russian-speaking young people of Ida-Virumaa

Introduction

Estonian society is rapidly stratifying and the opportunities for achieving a satisfactory standard of living and becoming a successful member of society are very different for different people (Saar, 2000). If the opportunities for success are compared, it becomes evident that men are more likely to achieve success than women, Estonians more likely than non-ethnic Estonians, inhabitants of Tallinn more than the rural population, and young people more than elderly people. During recent years, as the next generation after the 'generation of winners' is reaching adulthood, problems associated with the adjustment of youth to society have surfaced. This article examines young non-ethnic Estonians living in Ida-Virumaa county.

The empirical material serving as the basis of this article is taken from a qualitative study conducted in Narva in April-May 2000, during which 23 adult youth workers and 3 teenagers were interviewed, and 8 group interviews involving 40 teenagers were also conducted. Previous quantitative studies, statistical data and observation results were also used. Although the excerpts from the interviews reflect comments made about Narva, the analysis presented in this article may be used to describe the general situation in Ida-Virumaa.

Narva

Narva is Estonia's fourth largest city; as of May 2000, the population was 71,370. The vast majority of the residents are of Russian heritage, but there are people of other nationalities as well (Ukrainians, Byelorussians, Gypsies, etc.). Estonians make up 4% of the population. The most important areas of activity have traditionally been associated with industry. In recent years several large enterprises have been totally or partially shut down. Inhabitants of Narva are of the opinion that unemployment and poverty are mostly caused by worker layoffs and low salaries, rather than by the shutting down of local enterprises. According to official statistics the unemployment rate is 10 %, but according to respondents the actual rate is close to 25 %.

The language generally spoken is Russian; it is also spoken well by the Estonians living there. Russian-speaking residents of Narva, however, have rather poor Estonian skills. Compared with non-ethnic Estonians residing in Tallinn, the Estonian skills of those living in Narva are much worse. While nearly half of the Russian-speaking inhabitants of Tallinn are of the opinion that they are able to communicate in Estonian at a good or average level and only 16% cannot communicate in Estonian at all, in Narva and Sillamäe 66% of the adults are not able to communicate in Estonian and only 13% claim that they speak good or average Estonian (Proos, 2000: 37).

The older generation does not have the motivation required, and the opportunities for learning Estonian are often lacking as well. As for the younger people willing to learn the language, learning is made more difficult because there is little opportunity to practise.

The general economic situation in Ida-Virumaa is very difficult; both subjective evaluations and objective indicators attest to poverty. The average net income per family member in Estonia in 2000 was 2,183 kroons. While in Tallinn, for example, the average income per family member was 2,744 kroons, and in Harju county it was 2,860 kroons, in Ida-Virumaa county it was only 1,630 kroons. Accordingly, the average income in Ida-Virumaa county amounted to 75% of the Estonian average income per family member, which is a little less than in prior years. During 1998-1999, the average income in

Ida- Virumaa county was 77% of the Estonian average (Estonian Statistical Office).

The poverty of many families living in Narva was confirmed by one of the interviewed school principals:

Many of the students live very poorly. Some eat only once a day, at school, where they are offered a free lunch. There are children from orphanages. There are many orphans living with their grandmothers. For example, we have a group in which none of the students has a normal family. Some live in shelters, their parents drink. Some live with their grandmothers.

According to a social worker, in 1999, 23 children and their families were evicted from their apartments. According to the social worker, many families have formed groups in which the adults mostly drink and the children starve and roam the streets.

Dormitory accommodation in Narva comprises dilapidated Soviet-era 5-storey panel-construction buildings, where several people live together in a single small kitchen-room (total area 10-15 sq. m.). When the researchers visited a 15-year-old girl at her home, it became evident that she lived together with her mother, two teenage brothers, and a baby sister in a tiny room requiring repairs. Since there was no space in the room, she spent her time in the corridors. The corridors stank of excrement, plaster had peeled off the walls, everything was close to falling apart and extremely dirty. The girl's mother lived off her unemployment benefits and from selling homebrewed spirits. People came to her home to buy the illegal liquor.

A social care center employee said that engaging in so-called black work (work performed without an employment agreement and without paying income and social security taxes) is widespread. She was of the opinion that the income received is low, although people somehow manage to buy bootleg alcohol and bread. The lack of money was considered an explanation for broken marriages, low self-esteem and also antisocial behaviour.

Influence of the family and the example set by parents

Primary socialization takes place at home. People gain their initial knowledge and values from their parents without the opportunity for choice. The relationship between the parents, the examples they set, as well as their attitudes significantly influence behaviour and attitudes of young persons.

In Narva, there are many broken homes and families with deficient relationships. This deficiency of familial relations has also been expressed in the opinions of the young people interviewed. Here is an opinion by an 18-year-old young man:

Mom and Dad quarrel – like everyone... Everyone always looks for something bad in everybody else and keeps bringing it up all the time – starting with my relatives and ending with me.

The excerpt from the interview illustrates the general norm. Although quarrelling may not be a positive phenomenon, it is natural and familiar to everyone.

But oh how Grannie quarrels with Mum... Most problems arise because of my sister – she is so jealous of me because of my mother; she thinks that Mum pays more attention to me... But generally our relationships are normal, we haven't ended up fighting. But sometimes there are shoving matches with my sister...

Another young man was satisfied with his family. Since he knew of fighting in other families, his family was better in that respect.

Alien syndrome

The lives of the non-ethnic Estonian teenagers in Narva are on one hand determined by the uncertain status of aliens and on the other hand by the poor living conditions prevailing in Ida-Virumaa.

A realistic opportunity to communicate with Estonians on a daily basis does not exist in Narva and this makes it more difficult to study the language. It increases the feeling of alienation - alienation from Estonia as a state, as well as from its goals. The state is often likely to be perceived as hostile. At times the Estonian state is also seen as existing only for Estonians.

Boy, 16: *Narva is very often said to be a town with a high crime rate, but nothing is done for the benefit of Narva. There's no sports development. There's no development. No hobby groups, no clubs. There's nothing. Here there are mostly Russians. There is a feeling that the Estonians want all the Russians to leave.*

Girl, 16 (1): *Maybe there are some nationalistic prejudices. Since Narva is a Russian city, you don't have to give as much money. There's no money for sports. This is quite possible.*

Girl, 16 (2): *People simply think that Narva is a Russian city, that it's not really even a part of Estonia.*

An understanding of two such parallel realities has become rooted in the thinking of people living in Narva. During the Soviet period, there was the usual dual morality: nobody assumed that people lived according to the publicly declared official values. Now the role of the prevailing culture has been taken over by the Estonian

national culture, which leaves the Russian-speaking population in a secondary role, a role that it may not perceive as its own or as reality. The attitude towards official institutions as representatives of the state is sceptical and people perceive them as being detached from everyday life.

As was described by a deputy principal of a school, an *alien syndrome* is developing among the stateless and financially insecure teenagers – they feel that they are second class people:

> *Then there's the alien syndrome. It has taken root within our young people. There's some kind of vulnerability because of what has happened over recent years. They consider themselves second class human beings. /.../ They have simply just been so humiliated over the recent years. Their parents stand in line night and day to receive residency permits. They stand in line themselves, too. /.../ Recently there was a competition for a job in Tallinn as a mechanic. We talked about it. The children don't want to go. They don't feel themselves secure enough to leave Narva. They feel somehow inferior or ... And sometimes this leads to aggressiveness.*

Future prospects

How does the youth of Narva see its future? From the evaluations of the young respondents it may be concluded that they consider their future uncertain. They do not know exactly what will become of them. But most of them do seem to have a common wish: they wish to leave their home town. The young people of Narva are looking for better opportunities for achieving success. On the basis of the group interviews it is possible to point out a difference: the more successful young people think more realistically and wish to continue their studies and work in Tallinn, Tartu, or some other Estonian town.

> Girl, 15: *I am currently completing ninth grade. So that I will not have problems later in an Estonian environment, I am going to Tallinn to study in a secondary school until the twelfth grade. Then I will attend a university in Tallinn.*
> Boy, 18: *Yes, I have problems with Estonian. Of course it is difficult. I managed to finish school without a "C". Right now I am studying information sciences in Tartu, and the subjects are taught in Estonian. It's going OK.*
> Girl, 17: *I am a good student; soon I will finish 11th grade. After finishing school, I will continue my education. I don't want to stay in Narva.*

On an individual level, one may hope for a better future when Estonian is mastered and the person has become estonianized. The children of more successful parents who have more opportunities plan to spend their future in Tallinn. Young people who have nothing to lose dream of England.

> Girl, 17: *Where do we want to go? I don't know where we want...*
> Boy, 19: *I plan to fly to England...*
> Girl, 17: *Well, he's not going to leave me here all by myself, that's for sure. If we go, then we'll go together.*
> Boy, 19: *Sergei wants to go to England too...*

Not many locals wish to emigrate to Russia. But young people do see an opportunity to study in Russia and to return to Estonia later. Going to Russia to study is rather a last resort than a preference. Due to the decrease in the number of post-secondary institutions in Estonia offering education in Russian there are also fewer possibilities for the youth of Narva to acquire higher education. At the same time, it is relatively easy for the residents of Narva with Russian citizenship to obtain higher education at some educational institution in Russia.

What will happen to the Russian speaking young people who have grown up in Narva (or elsewhere in Ida-Virumaa)? Currently, when positions in society have mostly been taken, achieving success requires greater aggressiveness, more social resources, as well as better knowledge and academic abilities (Annist, 1998: 37). Narva's elite youth is unable to compete in Tallinn. Their Estonian language ability is not good, they have few contacts or skills for achieving success. Those who are more successful, who will be helped by their parents and acquaintances, will probably be fortunate enough to graduate from a post-secondary school and find at least some kind of a job, but the likelihood of finding a well-paid position with great responsibility is not very high. If they have established themselves in Tallinn or another larger Estonian city and have mastered Estonian, they will probably become very much like average Estonian young people.

The young people of Narva wish to leave their home town. Dreams of achieving success in a foreign country will obviously not be fulfilled by many. What will become of those who have nothing to lose? The prevailing mentality in the community encourages them to depart from the norms of society. Since young people perceive the environment as hostile, they themselves become more aggressive. Since illegal work is accepted due to poverty and people sell illegal cigarettes and alcohol, some do not consider it wrong to deal with drugs. Since large quantities of alcohol are often consumed by adults, drunk people become a natural part of life for many youths, and in addition to using alcohol they also start to experiment

with drugs. Heroin, a drug that causes addiction very easily, is inexpensive and simple to obtain in Narva. It is very likely that young people trying drugs out of boredom or depression will become heroin addicts. Addiction is followed by abandonment of their previous primary activity (if they had one) at work or school and socialisation in a criminal subculture.

In order to improve the future prospects for the young people of Ida-Virumaa, as well as to integrate them into Estonian society, it is important to increase their self-esteem. They need to learn to appreciate themselves and to use their existing abilities to the maximum; they need to be given the desire to occupy themselves with something useful. It is also necessary to establish the appropriate opportunities for them. Governmental campaigns alone are not enough, since it is important to comprehend the social environment and the life situation of young people as a whole.

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3 The Labour Market and Education As the Basis For Social Sustainability

3.1. Utilizing educational potential on the Estonian labour market

The quantitative indicators for the formal education undergone by the Estonian population are notably high. In all working-age groups, the share of persons with only primary or basic education is more than two times lower than the average level of the European Union. At the same time, from the standpoint of society, as well as the individual, there is no reason for excessive optimism (Box 3.1). It all depends on how and to what extent this educational potential is applied in society.

When the educational structure and the structure of available jobs do not correspond, there is a waste of resources in society. For developing countries, it has been observed that when the development of the educational system and the labour market are not in harmony with each other, i.e. when the output of experts with higher education exceeds the availability of jobs requiring higher education, then the brain-drain from the country increas-

BOX 3.1.

The expansion of education and what it implies

According to the modernisation theory of the 1960s there needs to be a positive connection between the expansion of education and modernising the economy. During the modernisation of societies, technology becomes increasingly complex, economic structures become more bureaucratic, markets more competitive. Therefore, employment will increase for those professions which require a higher level of education (Bell, 1975). Consequently for a society, modernisation is accompanied by educational expansion, and this also supports and encourages modernisation. In order to survive in ever more competitive markets, entrepreneurs use increasingly more rational criteria in hiring workers. Therefore, education becomes extremely important for an individual since it makes getting a better job more possible (Treiman, 1970). According to the theory of human capital, investments into education raise the productivity of a worker and thus result in a rise in wages (Becker, 1964). At the same time these investments are useful for the society as a whole because they enhance the development of the economy.

Since the 1970s, the modernisation and human capital theory has been increasingly criticised. The supporters of conflict theory claim that in education, the skills and knowledge are not the most important, but the certificates and diplomas issued by the education system, which have become a mechanism for exclusion and are used by ruling groups for differentiating between insiders and outsiders (Parkin, 1971; Collins, 1979). Proof of education is required for entry into a certain social group not because the educational level is actually functionally necessary to perform the job, but in order to limit access to this group and to monopolise the privileges of the group. According to Collins (1979), educational expansion will bring about an inflation of educational certificates, i.e. in order to access a certain position an increasingly higher level of education is required and therefore the usefulness factor of education constantly diminishes for the individual. The main reasons for educational expansion, however, are not the technological needs of the economy.

According to the ‘queuing’ model, educational expansion will also not automatically result in better opportunities for workers on the labour market (Thurow, 1975). There are two kinds of queues: a worker queue and a vacancy queue. Although in the worker queue, those with higher education are ranked higher, this does not mean that they can be in the higher groups in the hierarchy because the two queues do not necessarily match. When, for instance, there are more higher education graduates than corresponding jobs, this means that some of them have to accept a less attractive job. This in turn reduces the chances of persons with lower educational levels because those with a higher level make them drop down in the queue (Braverman, 1977). Therefore, educational expansion brings along a proletarisation of higher education, i.e. the unemployment of young people with higher education increases and there are more young people with higher education who do not find jobs matching their educational level (Blossfeld, 1999).

Supporters of the individualisation theory, which was widespread in the 1990s, also claim that the role of education as a determining factor in a person’s social status is increasingly diminishing (Beck, 1994), because the career paths of people are increasingly individualising. Therefore the social positions of people with the same educational level are becoming more and more varied.

According to the so-called cultural theory, the rise in education level may indeed help improve a person’s position, but the reasons are not the technological needs of the economy, but the myths in society (Meyer, Hannan, 1979). Since the principles of human capital theory (education as a useful investment for an individual and society as a whole) are widespread in society and accepted, this myth has begun to influence all of society.

TABLE 3.1.

Education level of professional groups, 1989 and 1999, %

Professional group	Year	Primary or basic education	Secondary * education	Vocational education	Specialized secondary education	Higher education	Total
Managers	1989	3	20	...	34	43	100
	1999	2	18	11	26	43	100
Higher professionals	1989	1	15	...	27	57	100
	1999	1	8	3	20	68	100
Lower white-collar workers	1989	12	48	...	32	8	100
	1999	7	28	19	33	13	100
Qualified workers	1989	32	50	...	16	2	100
	1999	19	23	38	17	2	100
Unqualified workers	1989	57	30	...	11	2	100
	1999	31	22	24	18	5	100
Unemployed	1999	26	25	29	14	6	100
Total working age population	1989	22	40	...	23	15	100
	1999	13	22	23	23	18	100

* *In 1989, secondary and vocational education were not differentiated.*

Source: Estonian Labour Force Survey , 1995 and 1999.

es substantially, and it also means that this country's limited resources are being wasted (Bertrand, 1994).

Since the demand for higher education remains stong, and because of the political influence of people higher up in the social hierarchy who are also in favour of the development of such institutions, state financial means tend to be invested in the development of higher education, although it would be more reasonable to spend these on creating jobs for people with a lower level of education and to improve their training prospects. For an individual, the fact that the job does not correspond to the education level may result in disappointment, frustration. Surveys conducted in Estonia have also shown that satisfaction with the job depends very much on whether there is a match between educational level and the job. In many publications reference has been made to the primitive ability to use the social resource (people) in Estonian society. For instance it has been found that nearly half the population is employed non-effectively (Pettai, 1998). Ensuring sustainable development for Estonia, however, presumes optimal use of existing educational potential. This is important from the viewpoint of both the development of society as a whole and that of individuals.

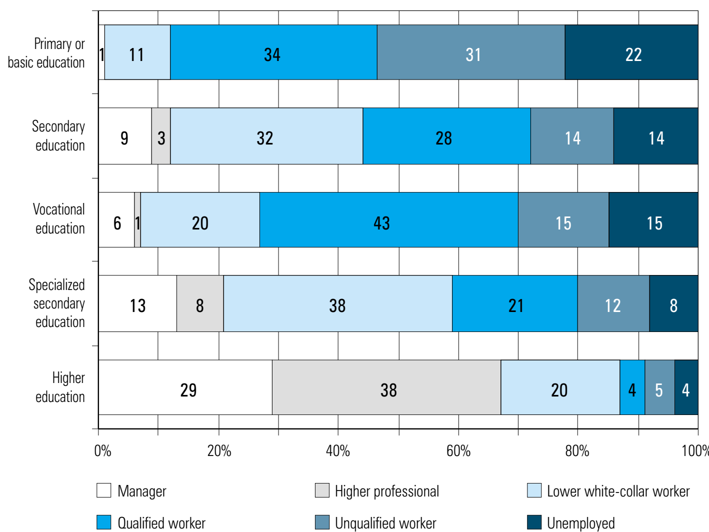
Educational level of professional groups

Studies have shown that in general the link in former socialist countries between the educational level and belonging to a particular professional group is stronger than in market economy societies (Solga, Konietzka, 1999). In socialist countries the state had control over transition from the educational system to employment, as well as over further social mobility, by means of administrative methods (including state assignment of employment), and it also ensured correspondence between educational level and social position. Consequently the changes that occurred in the 1990s in Estonian society should have resulted in a weakening of the connection between education and social status. The comparison of 1989 and 1999 data in Table 3.1 does not confirm this. Although, during the decade, the educational level of the working population increased quite considerably (primarily by reducing the share of workers with only primary or basic education), then in the professional groups, changes occurred mainly in the middle of the scale: the share of lower white-collar workers increased, while that of qualified workers decreased. The share of unqualified workers, however, increased. Therefore it was not so much the educational level of higher professionals , managers and lower white-collar workers that improved, but that of manual workers. Whereas in 1989, 13% of unskilled manual workers had vocational secondary or higher education, by 1999, this education was held by every fourth unqualified worker.

For managers, the opposite trend occurred: their level of education even dropped. This was probably due to the creation of small companies. This is confirmed by the comparison of the educational level of managers of state enterprises and private companies based on foreign or local Estonian capital. The managers of private companies with Estonian capital (mainly small companies) have the lowest educational level. The connection between educational level and social status, however, did not change much at all. This means that a higher educational level will not automatically result in the improvement of prospects

FIGURE 3.1.

Education success



on the labour market. The extent of the benefits that education may offer also depends on the availability of jobs on the labour market. If the number of workers with a certain educational level exceeds the demand, then the process of downwards replacement of workers begins, whereby the usefulness factor of education constantly decreases. The data in Table 3.1 permits the claim that this process has already started in the Estonian labour market.

The downwards replacement of workers occurs in two stages: workers with increasingly higher educational levels replace workers with lower educational levels in the lower positions on the hierarchy, which in turn results in the latter's exclusion from the labour market (Brauns et al., 1999). Therefore, there is obviously no point in merely analysing the correspondence between educational level and job, but also to see to what extent a certain education manages to ensure employment. Figure 3.1 characterises the efficiency of education on the Estonian labour market and its relevance to entry into the primary labour market, as well as the prospects for workers with various educational levels to be employed — only two-thirds of workers with higher education managed to use this level on the labour market. It is difficult for other educational groups to enter the primary labour market, and people with basic education have serious difficulties with employment. The proportion of unemployed among those who have secondary and vocational education is also rather high. Therefore, secondary education may also not ensure employment.

Benefit factor for various educational levels

The prospects for people with primary or basic education in finding employment do not differ much between the ethnic groups. But it is clearly the youngest who are in the most difficult situation (aged 15–24). The dropout rate from basic schools is currently quite high: during the 1998/99 school year nearly 1400 young persons interrupted their studies in basic school (Annus et al., 2000). Since this figure has remained stable at around 1300–1400 over the last five years, it is in fact having a cumulative impact, i.e. each year the number of young people without basic education increases by more than 1000. Until recently, basic school dropouts had no place in the education system. They could not get even minimal vocational training, because the previous Vocational Educational Institutions Act restricted access to such schools to persons with basic or secondary education. On June 13, 2001, the Parliament (Riigikogu) adopted an amendment to that law, providing for preliminary vocational training for young people, up to 25 years of age, who have not completed basic education. These young people can now acquire basic education in parallel to vocational education. Starting this school year, 180 young people without basic education have the opportunity to receive preliminary vocational training, but this is probably not enough since the 17–25 age group currently includes more than 20,000 young people without basic education. At the same time it is not certain that this would solve the problem, as the young people with lower educational levels have increasing difficulties in breaking out of the vicious circle — the differences between those of the same age are increasing, and this means that they will still have problems in entering the labour market or pursuing their education.

General secondary education in Estonia has traditionally been not so much a broad-based general education, but more oriented to continuing academic studies at university. Therefore it might be presumed that those who have acquired secondary education but have not managed to continue their studies will encounter problems in entering the labour market and staying there. At the same time, this group is very heterogeneous. Earlier studies have shown that the general education acquired in the 1980s had a completely different meaning for Estonians and non-Estonians: those who graduated from Estonian-language schools had significantly greater opportunities to become white-collar workers, while Russian young people were 'directed' by the secondary school to become mostly manual workers (Helemäe, Saar, Vöörmann, 2000).

This different orientation of general secondary education has probably had an impact on current risks of unemployment. Becoming unemployed is a higher risk for non-Estonians with general secondary education compared to Estonians with the same level of education (Figure 3.2). Since the content of the training of secondary education workers is non-specific, the social network plays a crucial role for them in finding a job, so a lack of ties and contacts reduces their opportunities for employment. This means that the proposal to render secondary education

obligatory will not necessarily bring the desired results, because this might imply that the rise in the level of education will not reduce the risks of the current risk groups. On the contrary, their risks will become greater since the differentiation between secondary education graduates will increase, and social origin, economic capital and ties will play a greater role, i.e. secondary education itself will no longer be sufficient to be competitive on the labour market, because in addition to educational capital, there is a need for other types of capital as well.

Among non-Estonians with vocational education, the risk of becoming unemployed is also bigger than for Estonians with the same educational level. Even better Estonian language skills will not improve the opportunities for non-Estonians. It has been increasingly stated that the reason for the high unemployment of workers with vocational education is that their education was acquired in the obsolete soviet system. However, the year of graduation seems to have no significant impact on avoiding unemployment, rather the opposite — unemployment is more of a threat for those who have graduated from vocational schools during the last five years. On the other hand, among those who acquired vocational education in the 1960s there are more and more persons working as unqualified workers. Thus, more up-to-date knowledge may not increase opportunities of finding a job, but there is hope that should the person becoming an 'insider', the job will then actually correspond to the level of education.

Comparison between different age groups shows that younger non-Estonians with general secondary or vocational education (20–29 age group) encounter the most difficulties. They have increasingly greater problems in finding a job and their risk of unemployment is over twice as high as that for Estonians of the same age group (Table 3.2). Russian secondary education graduates also have significantly more difficulties in continuing their studies in higher education because of inadequate Estonian language skills. Consequently they are left with having to pay higher education tuition fees, which for many is unrealistic.

Since the over-55 age group includes relatively many unqualified workers, their departure from the labour market would mean that the opportunities for the younger age groups to find jobs will somewhat improve. But they then would have to be satisfied with a manual job which clearly would not match their education level. At the same time new young people with an even higher level of education are entering the labour market. As those who have interrupted studies have major difficulties in returning to the educational system (especially those with vocational education), the opportunities for young Estonians with secondary and vocational education to find a job will also probably diminish. It is also not certain that the young people would be prepared to replace the older age groups with a similar educational level who are leaving the labour market, because the latter perform routine unqualified work (both manual and mental) for a low salary. Perhaps these young people will prefer to stay unemployed.

For people who have acquired secondary specialized education, the ethnic differences are smaller: both in respect of becoming unemployed as well as for finding a job to match the educational level.

FIGURE 3.2.

Proportion of unemployed and unqualified workers according to education level and gender-ethnic origin groups, %

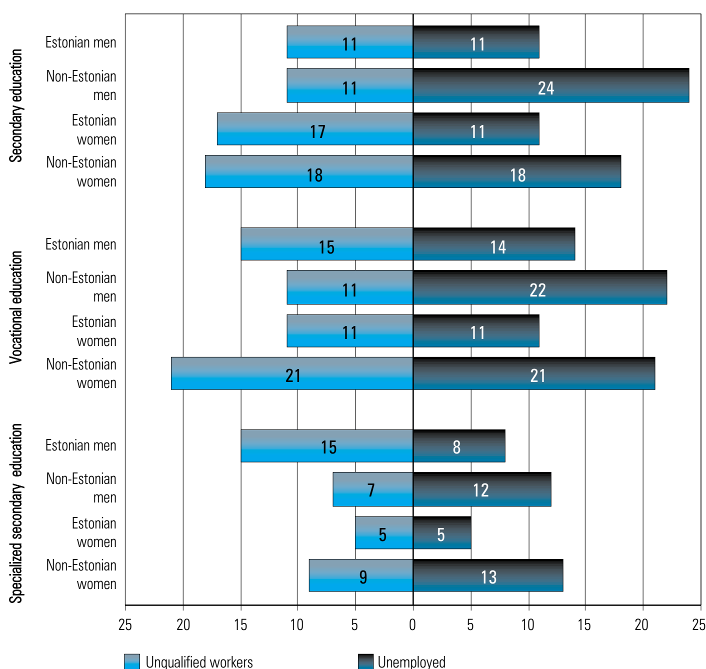


TABLE 3.2.

Proportion of unemployed among those with secondary or vocational education, according to ethnicity and age group, %

Age group	Secondary education		Vocational education	
	Estonian	Non-Estonian	Estonian	Non-Estonian
20–24	14	32	16	32
25–29	7	21	15	25
30–39	13	20	13	19
40– 55	11	21	12	18
Over 55	2	6	9	8

Source: Estonian Labour Force Survey, 1999.

Is higher education a panacea?

Higher education does indeed seem to increase opportunities on the labour market, but this is not a panacea

TABLE 3.3.

Correspondence of job and education for workers with higher education, %

	Working as			Total
	Managers, higher professionals	Lower white-collar workers	Manual workers or unemployed	
Gender-ethnic groups				
Estonian men	77	13	10	100
Non-Estonian men	54	17	29	100
Estonian women	69	24	7	100
Non-Estonian women	47	31	21	100
Age group				
25—29	68	24	8	100
30—39	69	21	10	100
40—55	66	21	13	100
Over 55	67	14	19	100
Place of residence				
Tallinn	62	25	13	100
Ida-Virumaa	58	21	22	100
Other counties	73	16	11	100
Estonian language skills (for non-Estonians)				
None	44	22	34	100
Understands	41	24	35	100
Speaks	41	28	31	100
Speaks and writes	65	25	9	100

Source: Labour Force Survey, 1999.

which would always ensure a job corresponding with education for everybody. Table 3.3 shows that non-Estonians with higher education have considerably more difficulties in finding a higher professional or manager job. Only good Estonian language skills can improve their chances. In the various age groups the percentage of those who have become higher professionals or managers is not very different. However those over 55 are in a more difficult situation because nearly one-fifth of them are unemployed or working as manual workers. But for the youngest age group a process has seemingly started whereby those who have higher education replace employees with a lower education level among clerks and lower-level professionals. Finding a job to match the educational level is most difficult in Ida-Virumaa county.

Why do not all those with higher education find employment corresponding to their educational level? The reason may not be that education is not valued on the labour market or that the best jobs are obtained through social networks, but perhaps that the demand for jobs requiring higher education is greater than the number on offer.

During recent years there has been an expansion of higher education in Estonia: the number of both higher education establishments and students has constantly grown. However, the consequences have not yet had time to become apparent on the labour market as many young people postpone graduation from higher education due to their holding a job as well as studying. The consequences of the transition to two-level university education (three years of Bachelor and two years of Master's study) are not yet quite clear. However, it may already be claimed that converting higher education into success on the labour market is increasingly difficult, because the number of workers with higher education is constantly increasing. At the same time there has not been a similar increase in the number of higher professional jobs. Consequently a proportion of workers with higher education have to be satisfied with a job which does not correspond to their level of education. Increasing Master's study will probably reduce the market value of a Bachelor degree, so possessing a Master's degree will become increasingly important.

What can be done?

The process of downward replacement of workers is obviously very difficult if not impossible to reverse. As we are already on the path of higher education expansion, there is no way back. We will just not be able to come out of the educational inflationary spiral. It is also not reasonable to accuse higher educational establishments of constantly increasing their admission numbers. Education has become a product, and the market rule is that if there is demand there has to be supply. But the demand is high because young people understand that without higher education their opportunities to succeed on the labour market are poor. At the same time it means that the market opportunities for workers with a lower educational level are continually decreasing. Since the educational system is currently very rigid and stratified, it is very difficult to return to the educational system after interrupting studies. There are also very limited opportunities in the education system for certain transitions. If there were chances to pursue studies after a certain period of working, the more limited opportunities of those who have lower education levels would not be such a big problem. But currently there is a danger that the risk groups (those with a lower educational level, the young, non-Estonians, inhabitants of Ida-Virumaa) have no particular hope of improving their prospects on the labour market.

There are already problems in converting education into labour market success, and these problems are unevenly distributed among different population groups. In addition to differentiation according to ethnic origin, age, gender and place of residence, economic disparities become increasingly more important both in using education in order to succeed and in access to education.

Appeals to forecast the number of graduates from various institutions needed for the labour market are not particularly justified (Box 3.2) because it is very difficult to fore-

BOX 3.2.

Forecasting manpower needs

The first attempts to adapt the educational system to labour market needs were made in socialist countries, primarily in the Soviet Union, where detailed plans for graduating numbers of students were compiled for different educational establishments and professional groups. The OECD also used such forecasts in the 1960s in order to plan educational systems in several developing countries. The preparation of such forecasts was supported by the so-called human resource theorists for whom education had a primary role both in the economies of countries and for individuals. Although very widely used this approach was heavily criticized. It was thought that the theory was an over-simplification since no account was taken of professional and vocational mobility in the labour market. It was also claimed that such forecasting did not allow the taking into account of the extent of regulation in the labour market and how the hiring of workers actually took place (Blaug, 1985). For instance, in France such forecasting was stopped in the mid-1970s, because they found it was not possible to objectively determine the existing need for workers with different educational levels. How workers with different educational levels manage to enter into the labour market depends primarily on the relationship between supply and demand (Bertrand, 1995). Earlier experiences have shown that plans made for the release onto the market of specialists in developing countries had been too optimistic in the forecasts for economic growth, and therefore the number of needed specialists had been overestimated. Despite this, some countries have continued to make forecasts (e.g. the USA). However, statistical forecasts have been increasingly replaced by all kinds of estimations based on qualitative scenarios, trying to assess the probability of different developments on the labour market (see also Loogma, 1999).

cast skills needed for an open economy. In 2000 an agreement of joint action to accelerate matching manpower qualifications to the needs of the labour market for 2001–2004 was signed by the Minister of Education, Minister of Economic Affairs, Minister of Social Affairs, Managing Director of the Estonian Central Union of Industry and Employers, General Director of the Estonian Chamber of Commerce and Industry and the Chairman of the Estonian Central Federation of Trade Unions. This agreement provided that the need for manpower should be forecast according to the needs of the business and public sectors. At the same time it is clear that it is practically impossible to provide forecasts, at least statistical forecasts, because in Estonia small companies dominate and they do not know whether they will be around in 4 or 5 years, not to mention being able to forecast their need for manpower.

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3.2. Outsiders in the Estonian labour market: a challenge for the individual or for society?

The goal for sustainable development is to enable the well being and a high quality of life for current and future generations in three dimensions: environmental, social and economic. The main foundational support for a sustainable economy in the European Union is considered to be a high rate of employment. In the 1999 Amsterdam Agreement, which set out the development directions and the long-term strategy of labour policy in the member states, it was clearly stated that a high rate of employment in the European Union is one of the most essential macroeconomic goals. This is especially acute in a situation where the pension-era population is increasing throughout Europe, and young people are extending the duration of their studies, and are thus entering the labour force later in life than was the case with previous generations. At the same time, changes have occurred and are occurring in the economy and in technology which present totally new challenges to workers: lifelong jobs have increasingly become the exception, and there are numerous people who must change their profession many times during their working careers. Therefore, the main indicators of the situation which are used in the labour market are the general level of employment, the unemployment rate, including long-term unemployment indicators, but also the role of education (lifelong learning) in economic activity.

Great changes have occurred in employment in Estonia during the last decade. In the beginning of the 1990s, Estonia was characterized by the high economic activity of the population, and unemployment was almost an unknown phenomenon. Extensive reorganization in the economy and changes in the structure resulted in a reduction in both employment and unemployment. Different social groups have coped with these changes with varying rates of success. Approaching the issue from the interests of both the individual and the state, the central problem is the opportunity to return to the labour market, especially in circumstances where leaving it was an involuntary choice. It is essential to analyze who has the opportunities to enter the labour market, and what these opportunities are, and whether and how the efforts of the individual are supported by labour market institutions.

TABLE 3.4.
Individual characteristics which influence becoming unemployed

	Becoming unemployed			
	Men		Women	
	+	–	+	–
Ethnic origin				
Non-ethnic Estonian *vs.* Estonian			* * *	
Education				
Basic *vs*. secondary education	***		***	
Higher *vs.* secondary education		***		***
Age				
14–24 *vs.* 25–44	***		***	
45–74 *vs.* 25–44	***		***	
Region				
Rural *vs.* Tallinn			***	
Other town *vs.* Tallinn				
Ida-Virumaa *vs.* Tallinn			***	

*** *characteristics which on average have a greater (+) or lesser (-) influence on the movement to unemployment among men and women.*

Source: Estonian Labour Force Survey 1999.

Trends in the Estonian labour market compared to the EU

The basis for sustained economic development in Estonia should be the maximum utilization of the working age population. Unfortunately, the tendencies of the labour market indicators in the case of Estonia seem to be the opposite to what they are in Europe. Whereas during the last decade the trend in the European Union (especially among women) has been toward increased employment, the rate of employment in Estonia has steadily declined. During the years 1995–1997, the rate of employment in Estonia was approximately 5 percent higher than in the European Union. Beginning in 1997, the employment rate in the European Union began to rise, but at the same time it declined in Estonia, reaching the identical level (62%) by 1999. The same tendencies continued in 2000, and the employment rate in Estonia is now lower than the average in the European Union (61% vs. 62.5%). The decline in the rate of employment in Estonia is especially drastic in absolute values: compared to 1991, the number of working people has declined by the year 2000 by an astonishing 25% (by 203,000 people!). At the same time, unemployment has become an acute social problem: a problem unknown in 1989 now affects one in every 15 residents of Estonia. During the first quarter of 2001, the unemployed accounted for 14.3% of the labour force.

Moving into unemployment and reintegration into the labour market

Unemployment may be viewed as a two-way street, where people not only become unemployed but also move back out of unemployment. In the studies which have been conducted to date, opportunities in the labour market have often been characterized through individual

traits, both from the point of view of becoming unemployed as well as from the economic viewpoint.

In the case of both men and women, the influential characteristics which can be brought out as reasons for becoming unemployed in Estonia are education, age, ethnic origin and place of residence (Table 3.4). On average, the greatest risk is for the more poorly educated youth or those above middle age; at lesser risk are individuals with higher education. In the case of women, additional risk factors are being non-ethnic Estonian and living outside Tallinn, the capital city.

As opposed to the process of becoming unemployed, in analyzing the return to the labour market (Table 3.5) it is not possible to single out social groups whose opportunities are clearly better or worse. Based on the results of the analysis, it is possible to speak of below average opportunities for returning to the labour market for older men and female non-ethnic Estonians with a lower level of education. As for re-entering the labour market, the only obvious advantage is a brief period of unemployment.

Comparing on the one hand becoming unemployed and, on the other, the factors which increase the opportunities for returning to the labour market, it can be seen that in the long-range perspective the number of people becoming unemployed is constantly increasing, and that for these people coming out of this situation is increasingly complicated. The fact that coming out of unemployment is complicated is also reflected in the statistics, which indicate that in Estonia only 17.7% of those who are unemployed find work within a year. In contrast, in the member states of the European Union, the number of those who have found work within a year is markedly greater: on average every third unemployed person finds work again within 12 months. A danger signal in the case of Estonia is that the number of people who have been out of work for an extended period is also increasing (Figure 3.3). During the last eight years, the number of those who have not been able to find work within one year has doubled.

The unused labour resource also includes the 'discarded' individuals, who have ceased looking for work and who are not counted among the unemployed, but are considered inactive. The constantly increasing share of discarded individuals among the inactive has continued to grow in recent years. In 2000, their numbers increased by 14% compared to 1999. In other words, a total of 24,000 people have given up looking for a job because they no longer believed that they would find work. Men give up on job searching more frequently: of the inactive men, the discarded accounted for 13% in 2000, while the corresponding figure for women was 11% (Tööjõud 2000).

The high rate of unemployment which characterizes the Estonian labour market, especially the long-term unemployed and the increasing numbers of discarded individuals, has become very expensive for the state — on the one hand because of numerous social support payments and, on the other hand, due to the non-receipt of taxes. People who have been away from the labour market for an extended period of time lose their qualification and work habits, and their integration back into the labour market also becomes increasingly difficult. Alienation from the labour market also causes social problems, creating additional tensions in the acute socio-economic situation.

TABLE 3.5.

Characteristics which influence coming out of unemployment

	Coming out of unemployment			
	Men		Women	
	+	–	+	–
Ethnic origin				
Non-ethnic Estonian *vs.* Estonian				***
Education				
Basic *vs.* secondary education				***
Higher *vs.* secondary educatio				
Age				
14–24 *vs.* 25–44				
45–74 *vs.* 25–44		***		
Previous work experience				
No experience *vs.* experience				***
Unemployment				
Under 12 months *vs.* over 12 months	***		***	

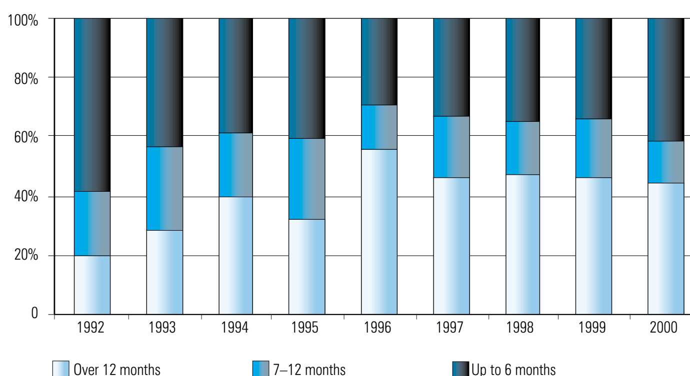
*** *characteristics which on average have a greater (+) or lesser (-) influence on coming out of unemployment among men and women.*

Source: Estonian Labour Force Survey 1999.

FIGURE 3.3.

Duration of unemployment, %

Source: Tööjõud 2000..



Do labour policy measures offer *fish* or a *fishing pole*?

In addition to individual characteristics, in speaking of employment it is also necessary to keep in mind the labour

TABLE 3.6.

Priorities in Labour Market Policy, 2001

1. Developing active labour market policy measures and increasing the number of individuals who benefit
2. Easing the financial problems of small enterprises
3. More effectively disseminating information about private enterprise and simplifying bureaucratic procedures
4. Developing vocational education and adapting it to the needs of entrepreneurs and other target groups
5. Integrating less favourably-positioned groups into the labour market
6. Increasing the effectiveness of the Labour Market Board and Public Employment Offices

Source: Joint Assessment of Employment Priorities in Estonia, 2001.

FIGURE 3.4.

Structure of expenditures in labour policy, %

Source: Sotsiaalministeeriumi haldusala arvudes 2000.

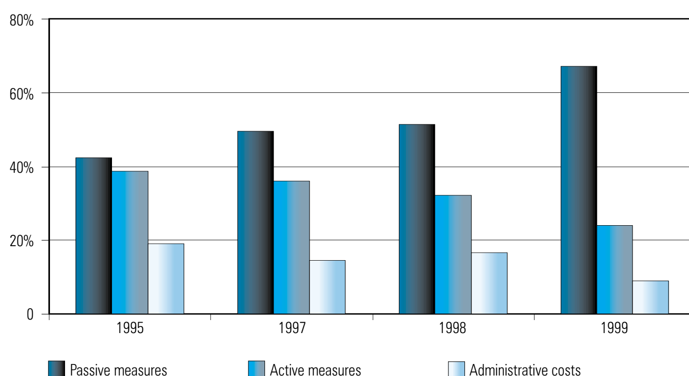
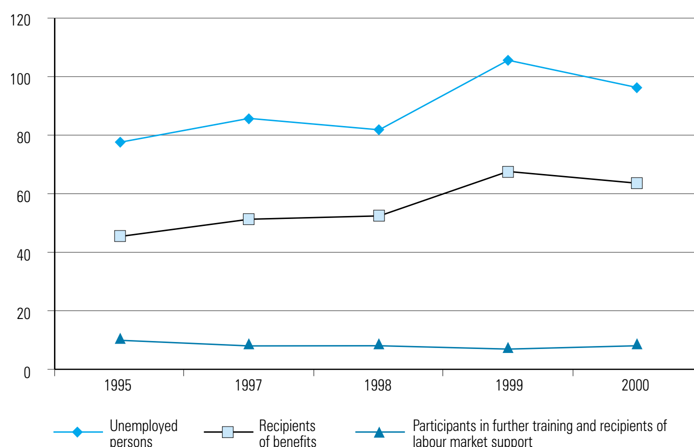


FIGURE 3.5.

Unemployed persons, recipients of unemployment benefits, participants in further training, and recipients of labour market support, in thousands

Source: Sotsiaalministeeriumi haldusala arvudes 2000; Leetmaa, 2001.



policy implemented by the state. Usually there is a distinction between active and passive labour policies: the active includes retraining, further training and labour market support payments for the unemployed individual or the employer, and the passive includes payment of unemployment benefits.

The goals of the Estonian state employment policy are harmonized with the goals set down by the European Union. The employment action plan for the period from the fourth quarter in 2000 to 2001 sets forth as the most important goal the development of active labour market policy measures, supporting private enterprise and the integration of groups with fewer opportunities into the labour market, as well as raising the level of effectiveness of the employment offices (Table 3.6).

Looking at the division of resources among the various labour market measures, it can be seen that contrary to what has been declared, the share devoted to passive labour market measures has actually been increasing (Figure 3.4). Whereas in previous years unemployment benefits accounted for about half the costs of social security for the state, in 1999 it accounted for over 70 percent. The reason for this was the increase in unemployment benefits by 100 kroons and the rise in the number of the unemployed. There has not been any significant change in 2000 either: of all resources directed toward labour market measures, a total of 185.3 million kroons, only 66.9 million kroons was spent on retraining, further training and labour market support payments to the unemployed or to employers, which is less than one-third of the entire amount. The relative importance of the different labour market measures is vividly illustrated by the number of people who benefit from them (Figure 3.5). The implementation of passive measures has gone hand in hand with changes in the level of unemployment in general — on average 60% of those who are unemployed receive unemployment benefits. At the same time, despite the increasing number of unemployed individuals, the number of those participating in further training or receiving labour market support payments has actually decreased a little, since only limited additional resources have been directed to active labour market measures, and at the same time the costs of training have increased. As a matter of fact, in 2000, unemployment benefits were paid to 63,600 unemployed individuals, but only 8150 individuals were directed to labour market training, which accounts for only 6.7% of the registered number of unemployed. With the assistance of labour market subsidies, 189 unemployed people were hired into the workforce, and enterprise start-up funds were paid to 413 unemployed persons.

In comparing expenditures on carrying out labour market policies, it must be admitted that although the European Union spends 3–4% of GDP on implementing labour market policy, in Estonia the corresponding indicator in the year 2000 was only 0.24%, which is also the lowest figure among all the candidate states.

Expenditures from the state budget for active measures have increased minimally, accounting for only 0.08% of GDP. From the above, it may be asserted that the role of active labour market policy in Estonia today is very small.

Who participates in further training?

Next, let us examine the most essential indicator of active labour market policy: further training. Based on statistics from a study done on adult training in 1997, it may be stated that the necessary schooling to enable one to return to the labour market does not always reach those who are the most in need. On the contrary, further training is mostly provided to population groups which are already working. The relative number of those who are unemployed or on maternity leave and are participating in training is more than two times less. Non-ethnic Estonians, among whom there are significantly more unemployed, have participated in courses two times less frequently than Estonians (Vöörmann, 2001). Statistics from the 1999 Estonian workforce study confirm the same tendency: during the month prior to conducting the survey, working people participated in courses 1.5 times more frequently than unemployed persons.

Although, according to the ideology of the "Learning Estonia" educational scenario, further training and retraining should increase societal cohesion and reduce alienation, help integrate people into the labour market as well as improve life in society as a whole, the current active labour policy measures have not yet yielded the anticipated results. A whole series of programs have been worked out, as well as standards and projects, but only a few of these have actually been implemented as yet. The number of individuals participating in further training is minimal, just the same as the number of those who have begun work thanks to labour market subsidies. Further training is not reaching its target groups and therefore cannot be of help to individuals in coming out of unemployment. The primary means of active policy — further training — more often supports those who are already in the labour market than those who have dropped out.

The rise in unemployment, increased long-term unemployment, difficult re-entry into the labour market and ineffective labour market measures, constitute a danger signal both to the economic development of Estonia and social cohesiveness within the society. The situation regarding unemployment and exclusion from the labour market in Estonia today may be characterized as a conflict between the so-called insiders and outsiders. Those active in the labour market (salaried workers and entrepreneurs) balance their own interests, ignoring the existence and problems of those who have dropped out of the labour market (outsiders). The result is a reduction of opportunities for returning to the labour market, together with the danger of being excluded from society. Such trends will lead to an increased rift in society, on the one hand weakening the cohesiveness of society and, on the other hand, also weakening the ability of the economy to sustain its development.

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3.3. Different generations in the labour market: conflict, competition or withdrawal?

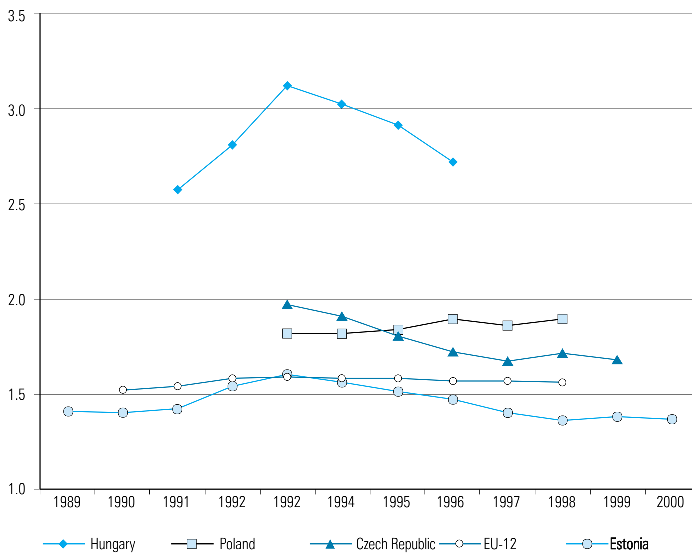
Generations and the distribution of risk in the labour market

The flexibility of employment and the risk of unemployment are very unevenly distributed in society, remaining the burden of the weakest and the less powerful labour force groups (Blossfeld, 1999). The most fragile labour force groups are usually young people (especially those entering the labour market for the first time), women, workers with lower qualifications, the long-term unemployed, older laid-off workers and persons with disabilities (Word Employment Report 1998–1999). It is particularly these groups that suffer when the labour market adapts itself to changing economic conditions. Men in the prime of their working life bear the smallest number of risks, and in developed countries their employment rate has changed the least, even during most complicated periods (OECD, 1999).

Belonging to a certain generation is an important, but certainly not the only factor of social risk. Risks related to social classes and progression through life are also

FIGURE 3.6.

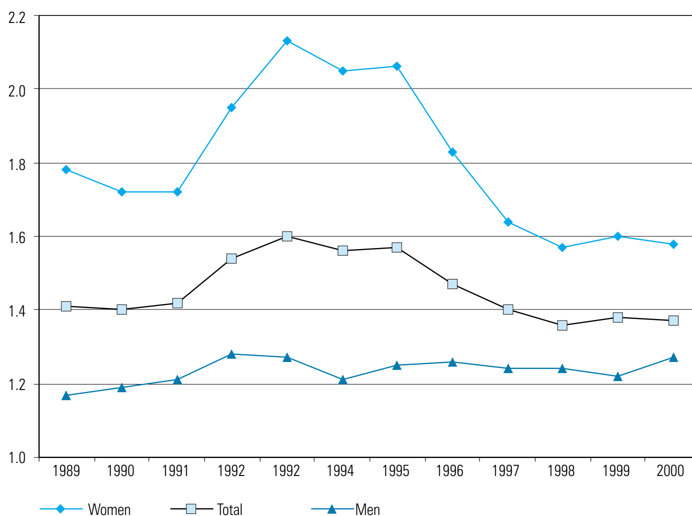
Disparities in employment rates of different generations, 1989-2000*



* *The basis for the graph is the ratio of highest to lowest employment rate among the following age groups: 25–34 years, 35–44 years, 45–54 years, 55–59 years.*

FIGURE 3.7.

Disparities in employment rates of different generations by gender, Estonia, 1989-2000*



* *The basis for the graph is the ratio of highest to lowest employment rate among the following age groups: 25–34 years, 35–44 years, 45–54 years, 55–59 years.*

essential. For the *life course* risks, we should take into account that in stable societies there is a relatively predictable distribution of risk between various periods of life. As a rule, the period for achieving social independence is full of risks, and young people as a social group are quite fragile. Getting older and exceeding the working age also means the accumulation of risk. The ability of an individual to cope with market risks depends on whether the employment relationship is based on a labour contract or a service relationship (Breen, 1997; Goldthorpe, 2000). The joint effect of all these risks is also important. During the more dynamic periods of a changing society, the actual period in the lifetime of the person that the change occurred becomes relevant — i.e. the *generation* to which the person belonged. Whenever youth or old age occurs in an unfavourable historical period, the risks are doubled, because the life course risks are added to the generational risks. The same holds true when a person belongs to a disadvantaged social group.

Estonia can also be referred to as a post-full-employment society because of both diminishing industrial employment and increasingly flexible employment. It is a separate issue, however, as to what kind of developments these processes exhibit: are they merely due to the transition to a market economy or also to more global processes — i.e. a transition to a local variety of a service society (Terk, 1999). The decrease of employment in the primary sector also had a vital impact on the general situation of the labour market in Estonia (Pettai, 2001). The European experience shows that employment problems become particularly acute in countries where employment decreases in both industry and agriculture.

The 1990s history of the Estonian labour market could be divided into several phases. The beginning of the decade was characterised by trends typical to transition countries: the constant decrease in employment, rapid growth of unemployment and a reduction in the population's economic activity (Pettai, 2001). The changes were most dramatic in 1992–1993, due to the adoption of the kroon in 1992. Unemployment increased sharply in these years and employment diminished, mainly because of redundancies in the primary and secondary sectors. The drop in employment in the secondary sector in general, including the processing industry, was the biggest during the last decade of the century (especially in 1993). In 1994–1995 the tempo of change slowed down and the period 1996–1998 is characterised as a relatively stable one (Pettai, 2001). By 1995 the biggest changes in the primary sector had already taken place, and secondary sector employment also did not change as much as in 1992–1993. Apparently, by that time the basic operating principles of the economy and the labour market had been developed. Estonia had become a country with an economy open to global processes. In a small country it means dependence not so much on its own domestic economy logic (cycles) but rather on external processes. And so it was that at the end of 1998 the Estonian labour market began to be influenced by the consequences of the Russian economic crisis. In this sense we certainly correspond to the definition of a risk society. It is another question to know what impact this has had on generational stratification: are risks and inequality individualised

and temporary, or are risks unevenly distributed between generations.

Employment opportunities

In order to characterise the position of different generations in the labour market, primarily for international comparisons, the European Union has suggested many indicators which are part of the European system of social indicators. Primarily there is an indicator, named Equality of employment rates of different generations, based on the age group (generation) which has the highest employment rate, and its ratio to the age group whose rate is the lowest. If the coefficient is 1, the employment rates of all age groups studied are equal, but if the coefficient increases, the differences increase as well. For instance if the coefficient is 2, a certain age group has an employment rate twice as high as the age group compared to it. The following age groups are used for comparative purposes: 25–34, 35–44, 45–54 and 55–59 years.

According to the Estonian labour force survey (ELFS) data, and applying the abovementioned methodology, it can be seen that the employment rate differences between generations in Estonia began to increase at the end of 1980s, reaching a peak in 1993 (Figure 3.6). Whereas in 1989, the ratio between the age group with the highest employment rate and the age group with the lowest employment rate was 1.41, by 1993 this factor was 1.60. This was due to the economic restructuring which started at the beginning of the 1990s, which also brought about a reduction of employment rate. The fall in employment rate was different for different generations — it was the highest in the oldest age group and the least in the 35–44 age group.

The period 1993–1994 is referred to as the economic stabilisation period for Estonia. This was also reflected in the labour market. Since 1993 a clear trend became apparent — the differences in employment rate between generations started to disappear, in other words, the employment rates for generations became similar, and this was primarily due to the increase in the employment rate for older people. During the restructuring which took place after the restoration of Estonia's independence, there was a trend of employing young people and an attempt to push aside the older ones. But during the second half of the 1990s, the understanding was reached that Estonia's human resources are so scarce that we cannot afford to ignore whole age groups. By 2000 the differences between employment rates for the generations had even dropped below the 1989 level, which is partly due to the gradual rise of the pension age.

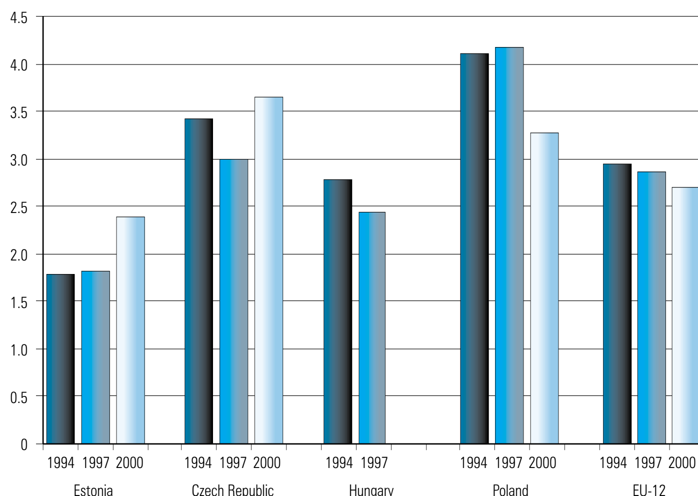
Compared to East European countries with a similar destiny to Estonia, e.g. Poland, the Czech Republic and Hungary, and compared to the group of western European countries known as the EU-12, it needs to be said that in Estonia the differences between employment rates for the generations have been rather modest. Although one cannot not characterise the entire period for all these countries due to the lack of data, it can clearly be seen how different Estonia is, for example, from Hungary, where the ratio between the age groups with the highest and lowest employment rates in 1993 was greater than 3. After that, Hungary also moved towards more similar employment rates. In Poland, this indicator for 1993–1998 remained in the range 1.80–1.90. The Czech Republic has been the closest to Estonia with a generational difference for employment rates dropping from 1.97 in 1993 to 1.68 in 1999. But even this was higher that the biggest difference for Estonia in 1993. In the EU-12 countries the ratio between generations with lowest and highest employment rates has remained quite stable — between 1.50 and 1.60, which is still somewhat more than in Estonia. In this sense Estonia is further advanced than the EU-12 countries, because Estonia reached the EU-12 employment rates generational difference level during the most complicated period of its economic development.

Figure 3.7 shows differences between employment rates for generations depending on the gender, which helps to take a more specific approach to the problem. There has been much talk of how the major changes in the Estonian economy initially had a negative influence primarily on the situation of women in the labour market. And, as matter of fact, the ELFS data confirms that during the end of the 1980s and the beginning of the 1990s the differences in employment rates for generations were clearly greater among women, and that these differences increased during the period of economic restructuring, reaching a value of 2.13 by 1993. After this, beginning in 1994–1995, the differences have decreased and the characteristic trend for the employment rates of different generations of women is that they have become more similar. This is due mainly to the eldest age group where the employment rate grew on the one hand, but on the other hand it still remained the lowest, even lower than the employment rate of women in the age group 25–34, where the employment rate was also lower than the average for understandable reasons. Among men such major fluctuations between the employment rates of different generations were not apparent, with the ratio of differences remaining during the whole study period between 1.17 and 1.28.

When addressing the employment prospects of generations in this way, the youngest working age group, the 15–24 year olds, are not taken into account because their activity is closely tied to acquiring an education. At the same time the situation of young people in the Estonian labour market has been considered critical, so increasingly

FIGURE 3.8.

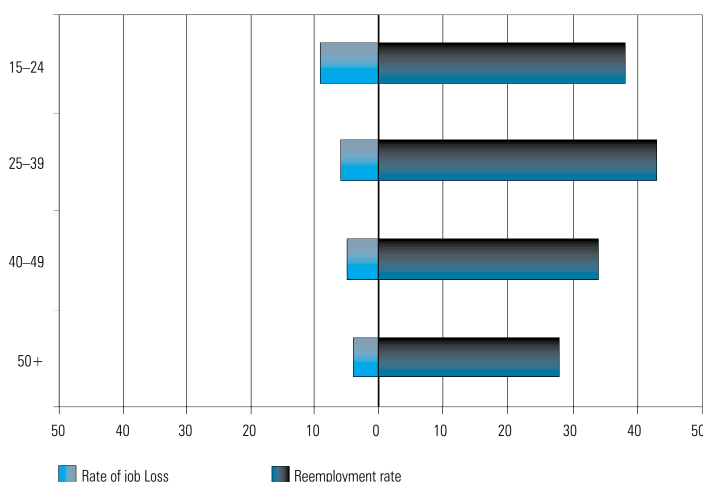
Disparities in unemployment rates of different generations, 1990s*



* *The basis for the graph is the ratio of highest to lowest unemployment rate among the following age groups: 15–24 years, 25–34 years, 35–44 years, 45–54 years, 55–59 years.*

FIGURE 3.9.

Rate of job loss and reemployment rate by age, %*



* *Rate of job loss shows percentage of those who were employed at the beginning of 1998 but unemployed in the second quarter of 1999. Rate of reemployment shows percentage of those who were unemployed at the beginning of 1998 but employed in the second quarter of 1999.*

Source: Estonian Labour Force Survey, calculations by the authors.

more attention is being paid to it. It is crucial to identify trends: whether and in which way the economic behaviour of young people, during the years of entry onto the labour market, is different from that of adults. At least two generations of young people, whose opportunities for integrating into the labour market were quite different, can be distinguished. Those who were young at the beginning of the past decade were in a privileged situation compared to later cohorts. The exclusion of older persons from the labour market profited them. The rate of employment for young men between 15 and 25 even increased at the beginning of 1990s (Vöörmann *et al.,* 2001). By 1994, this adaptation resource was exhausted. Along with new educational opportunities, integration into the labour market and also becoming independent were postponed.

During the first half of the decade the differences for the so-called main age group (25–49) were more marked, but at the end of decade, the contrary was true: the employment rate for young people decreased somewhat faster. The differences in age group behaviour tended to be gender-sensitive. For *men* the employment trends of the young and main age groups were opposite to the trend, as the employment of very young people even increased. But starting in 1994, the employment rate for young people constantly decreased, and the drop was also steeper. However, the employment rate for young people was still higher in 1994 compared to the 1989 data. In 1997 the increase in employment for the 25–49 year olds did not affect the very young. The employment of young *women* did not fall constantly during the period (as it did for the medium age group), but had certain rises and falls, and the falls were steeper for the younger group than for the 25–49 year olds. It seems that changes in the economic situation had a bigger impact on the employment of young women than on the other age groups.

Risks of unemployment

The labour market situation is also characterised by the risk of becoming unemployed. Unemployment, an unknown phenomenon during the Soviet period, became an everyday danger, as of the beginning of the 1990s. Unemployment, however, has affected different groups of people in different ways. In analysing unemployment in Estonia in the 1990s, according to generations, it must be stated that the differences between generations have grown and that this has occurred to the detriment of the youngest age group (15–24) (Figure 3.8). Whereas in 1997 the ratio of unemployment differences between generations was 1.81, by 2000 it had reached 2.39. It must also be said that compared to Poland and the Czech Republic, but also Hungary, the Estonian situation is much better. In Poland the ratio of unemployment between generations was greater than 4 in the mid-1990s, thereafter dropping down to under 3.5. In Hungary there was also some reduction in differences, but compared to Estonia the generational differences were still greater. In the Czech Republic, developments fluctuated, with the reduction of differences, which started in the mid-1990s, being followed by a new increase in differences at the end of the decade.

In general it is difficult to identify a definite trend for the countries under observation. But this is not true for the EU-12 countries where there is a slow but steady trend towards the reduction of differences between generations

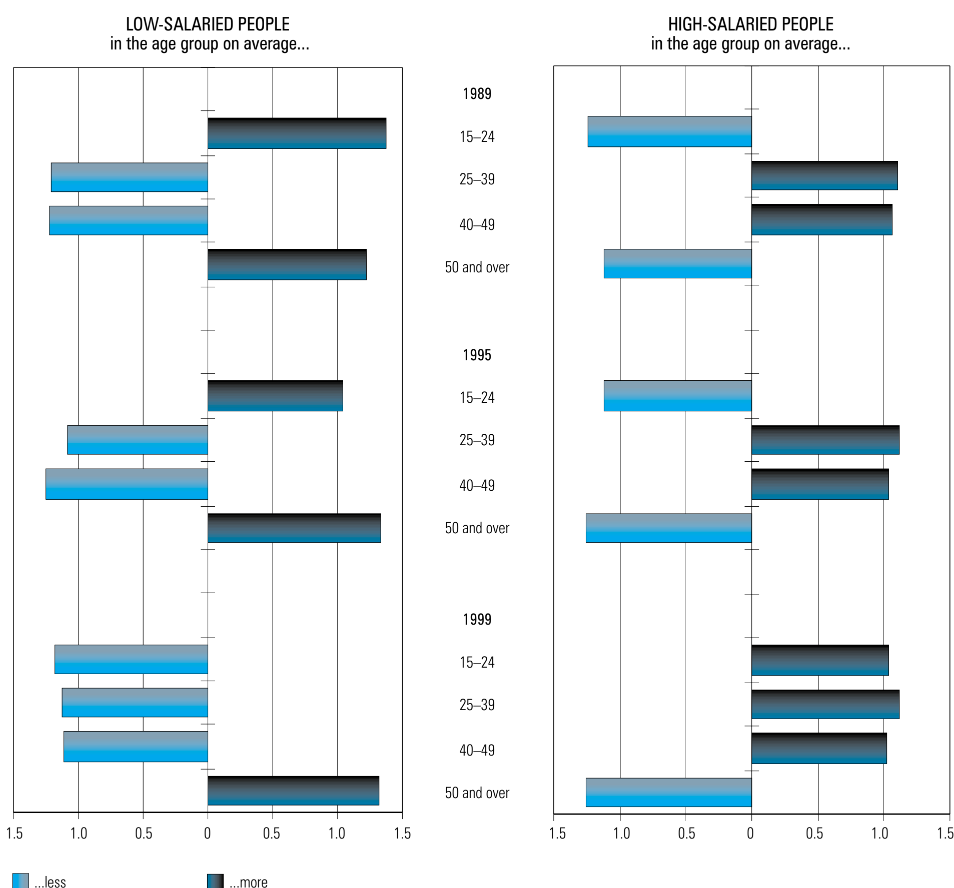
in unemployment. But these differences were greater than in Estonia, although at the end of 1990s the Estonian and EU-12 unemployment ratio for generations became more similar.

It is usually claimed that the young are most at risk when labour market circumstances become less favourable. In Estonia this was true for women, with the opposite being true for men: the share of unemployed in the age group 25–49 fluctuated more than the 15–24 age group (Vöörmann *et al.*, 2001). As there are (generally) fewer long-term unemployed among women, it means that although the economic situation influences women more than men, women are more successful in adapting to the changed situation. The constant and steady rise in men's unemployment is due to factors that have a more long-lasting influence than the economic situation.

In developed countries where unemployment has become more widespread, increased attention is being paid to opportunities for returning to the labour market. In Estonia this is of particular importance for young people whose risk of losing their job is higher than that of other age groups (Figure 3.9). On the other hand young people, especially men, succeed in re-integration better than those over 40. In the mid-1990s, re-integration opportunities were much better compared to the end of century, especially for the young and the age group of 40–49. In the second quarter of 1995 more than a half of those in both age groups who had been unemployed at the beginning of 1994 had found a job. The risk of losing a job was almost the same for all age groups. As well as problems with re-integration, young people had difficulties in their initial entry to the labour market. Whereas in 1995, young people with no previous work experience formed 30% of all 15–24 year old unemployed people, by 1999, they comprised 40%. This means that during the second half of the 1990s, unemployment did not so much increase because of the risk of losing a job, as much as due to difficulties of returning to or entering employment. This is confirmed by the increase of long-term unemployment.

FIGURE 3.10.

Low and highly paid people, by age, %*



* *Low-salaried: I-II salary decile; high-salaried: IX-X salary decile.*

Source: Estonian Labour Force Study, calculations by the authors.

Success at work

When characterising professional success, objective indicators such as income, career and position in social hierarchy are used. It may be surprising, but the occupational structure of age groups has changed only minimally during the dramatically changing 1990s. In 1989, 1995 and 1999, white-collar workers were one-third of the 15–24 age group, 43–46% of the 25–39 age group, 45–48% of the 40–49 group and 35–40% of those over 50. Among the youngest group, lower-rung white-collar workers dominated (13–14%), but among adults it was managers and top specialists. The share of managers and top specialists in 1999 has somewhat surprisingly become similar in all three adult groups, being a quarter of the total number of employed in the groups. But in 1989, there were more in the prime age groups (25–39 and 40–49) than amongst the over 50s (28–31% and 21%, respectively). A certain polarisation occurred among blue-collar workers (especially young people), as the industrial and agricultural workers became service sector employees or

unqualified workers. Thus no age group may be considered a winner or loser. The most important change in the oldest age group's occupational structure was a certain reduction in industrial workers, and a resulting increase (although minimal) in the share of managers and professionals. In the case of young people, however, the share of service workers and laborers grew due to the reduction in the number of industrial and agricultural workers.

Salary distribution, however, shows much clearer changes (Figure 3.10). In 1989, low salary workers were over-represented among the youngest and oldest age groups, but by 1999, the young managed to become equal to the 25–49 year olds. The oldest people were the losers, or to put it more precisely, they did not manage to improve their situation. Young people were the winners: in 1989 they had the lowest number of highly paid people, but by 1999 the share of highly paid workers was the same as for 40–49 years olds.

Therefore, the so-called prime age groups maintained their success in the labour market. Compared to them the group of older workers (whose data remained more or less the same) remained unsuccessful. But the evidence for younger age groups were more contradictory: although improving their position in salary distribution they have not won on the occupational position (the share of unqualified workers has grown). It may thus be concluded that intragenerational stratification will become more important compared to intergenerational, especially for young people.

Conclusion

Estonia has encountered employment changes similar to Europe and Japan, but during a period which is three times shorter (Eamets, 2001). It is not surprising that the labour market risks were unevenly distributed, even for adjacent generations. It is difficult to forecast how much the coping experience in the labour market for current generations will differ from that of young and old in 2010. Demographic forecasts (the population is rapidly getting older) suggest that we should be cautious when extrapolating the employment patterns between generations into the future.

It is difficult to decide how much the inertia of institutions inherited from the Soviet times is still influencing the situation (e.g. orienting the vocational education system towards state-commissioned student places), or is it due to the newness of new institutions (e.g. low administrative capacity of labour market boards), or do the influences stem from the openness of the economy (globalisation). In other words, will the problems disappear after the end of the transition phase (e.g. the young who acquired vocational education prior to the reform will simply grow older and the next generations will acquire a new type of education) or are these problems oriented towards the future and will therefore also jeopardise the next generations (so these problems need a strategic approach). In any case, the prospects for young people to integrate painlessly into the labour market have diminished considerably during the last decade. The situation of all age groups on the labour market has become more precarious.

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3.4. Contradiction between society and school

Within the context of the sustainability of Estonian society, educational topics are especially important. One of the most alarming trends during recent years is that the dropout rate from the older grades of basic school is significantly high, especially among boys (Heinlo, 2001: 18). The Government noticed the existence of the problem already in 1995. In his State of the Nation address, the Prime Minister of the time stated: *"The non-fulfilment of the oblig-*

ation to attend school has increased and according to various data, it is up to 14% in the final grades of basic school. Many young people who have abandoned school have found themselves involved in crime." (Vähi, 1995: 141). The proportion of those aged 16 who have interrupted basic school study is by now higher than 10% (Annus *et al.,* 2000: 7). In 1992–1999 an average number of 700 young people per year interrupted study in grades 7 to 9 (Heinlo, 2001: 24). Workforce studies confirm that the problem is serious, because the share of people between ages 15 and 74 who have no primary or basic education has increased, particularly among the unemployed (Annus *et al.,* 2000: 7).

There are several reasons why compulsory school attendance is not followed. Firstly, the influence of the Soviet era legacy could be suggested (Leino, Männiste, 1996: 83). During the post-war period mothers could only be at home with their infants for 2 months — then they had to go back to work (6 days a week). Babies were often left in (weekly) nurseries which obviously did not help to develop a sense of security. Young men of 18 could skip military service if they had 2 children — and this opportunity was widely used. The 'childlessness tax' and other kinds of 'attentions' by the state also had an influence.

The economic problems of the new era constitute another influencing factor. Families in difficulty are not a minority any more and school troubles may be indicators of problems at home. Differentiation according to income is increasing and has a direct impact on abidance of the compulsory schooling obligation. For example, 5–8% of vocational school pupils drop out due to lack of money for transport (Kreitzberg, 1999). In 1998 a quarter of households with 2 children, and more than a third of households with 3 children belonged to the category of the extremely poor (monthly income of a household member less than 1060 kroons), which will certainly influence the children's continuation of studies (Heinlo, 2001: 24).

The third reason for drop-outs is a deepening contrast between school standards and the values which dominate in society. Whereas, in the past, adaptation to authoritarian dictates was inevitable and not disputed in public at school or in society as a whole, then nowadays there are generally approved values such as tolerance, democracy and freedom of speech. But not at school — where discipline, i.e. behaviour under surveillance is more important than ever, because it is a vital prerequisite in order to cover the voluminous state curricula within the allocated time. The school is no longer a small model of society — the two of them now speak somewhat different languages.

We will now focus on the latter reason. During the 1989/99 academic year, a research project was carried out where 1956 persons of differing ages filled in a questionnaire, in order to find out what is 'common' according to different generations (Leino, 2000: 40–45).

TABLE 3.7.

Comparison of opinions of teachers and pupils aged 11 to 15. The figure is the proportion of those (%) who considered the event described as common

When a pupil during a lesson…:	Girls	Boys	Pupils (total)	Teachers
Walks around the classroom or leaves	9	19	14	7
Does lesson preparation	56	61	59	33
Reads a newspaper	9	18	14	9
Chats with a friend	71	72	72	57
Is half asleep	12	17	15	11
Comments on what the teacher says	38	42	40	28
Eats/drinks something	21	33	28	12

Table 3.7 shows that pupils and teachers have differing understandings about breaking rules. The test comprised the question: *Is it OK when a pupil does the following during class....*, followed by situation descriptions. Table 3.7 gives the percentage of those who answered "Yes".

The outcome is that the idea of pupils' correct behaviour is not the same for boys and the teachers. For girls, the contrast is not so large. 96.8% of Estonian teachers are female, a fact that probably influences this difference.

The context described above gave rise to an issue requiring research — what is actually going on at school? In order to answer, a qualitative study was needed, and education ethnography was used. This is a method focused on disclosing the so-called hidden truths of school (Gage, 1985: 53). Since we have all attended school, the institution is far too familiar to us. However, the primary task of an educational ethnographer is to observe and see the school 'from the outside', asking not *how is it happening*, but *why things are as they are* (Thorne, 1997: 61). The objective is not so much to define the truth, but rather to disclose different truths (Emerson *et al.,* 1995: 1–3).

The above-mentioned study focused on classes with 'children having problems' and an effort was made to identify the reasons why one child grows up to have problems and another does not.

It came out that, in addition to the state curriculum, a 'shadow' curriculum dominated in schools: you have to submit yourself, adapt to the routine and the timetable, ask permission before acting, get used to waiting and to the fact that any activity might be interrupted (Silvennoinen, 1992: 256). Some international studies have shown that up to a third of a school day is spent on waiting (Thorne, 1997: 42). The concept of the shadow curriculum reflects a sociological effort to see behind the

visible reality, in order to disclose the real processes in education, which function despite the apparent self-obviousness of daily routines (Antikainen *et al.*, 2000: 226).

However, the research tradition according to Foucault sets the school, the prison, the army and the madhouse to a certain extent under a common denominator — discipline. The functioning of these institutions is greatly based on a system of punishment related to: **time** (late arrivals, absenteeism, interruption of work); **activity** (not paying attention, being noisy, eating during the lesson); **emotions** (crying, laughing without reason, etc.); **manner of speaking** (wrong expressions, speaking without permission); **appearance** (unsuitable clothing); **posture** (not sitting correctly); **other kinds of inadequate behavior** (e.g. packing one's bag before the end of the lesson) (Foucault, 1980: 39; Ruus, 2000: 128–131).

At school, the above-mentioned parameters often serve to decide whether a child is normal or has problems. A teacher setting standards has mainly two principles: the pragmatic and the moral one (Arbor, 2000: 88). As it is convenient to work in peace in the classroom, the teacher establishes frames to ensure that peace.

Description of the study. In 1999, study visits were made to schools where classes for so-called problem children existed. The lessons in four upper-secondary schools were observed: two schools in Tallinn, one in Harjumaa and one in Lääne-Virumaa (altogether 180 lessons). In addition the researchers took part in class get-togethers and talked to children and teachers. Notes taken during **110** lessons were analysed in depth.

The following episodic excerpts from the minutes taken during observations characterise the contradiction described above.

Time frames:

When problems started occurring, the boy began to be frequently absent — often arriving at school for the 3rd or 4th lesson only.

The teacher asks the children to read something in a book and whispers to Alo, "You have to start too, otherwise you will run out of time."

Both hyper- and hypoactivity at school is related to time — in order to be normal, you have to stick to the average working speed. The school labels a child as 'problematic' who does not cope with the foreseen chronological limits. The limits of time and place dictate where the child should be at a given moment. The school is a place where individual time submits to institutional time (Gordon *et al.,* 2000a: 198). To those who are 'chronologically different', the teacher has to give supplementary orders, which means, of course, supplementary work and, consequently, refers to the 'problems' of the child.

Vocal frames:

Two girls are chatting. The teacher knocks on their desk with a pencil and invites one of the girls to the blackboard.

When getting a bad mark and / or a reprimand from the teacher, Avo made strange sounds.

This child is unable to be quiet — he does not stop talking, answers before the question has finished, does not wait for his turn.

Non-adapted children behave in a disturbing manner, which at school is specifically expressed by the term *forbidden noise*. The pupil who speaks without permission, too loudly, about the wrong things, using wrong words, at the wrong time, and so on, disturbs the school order and damages his or her own image (Kivinen). Control over the loudness of a child is a prerequisite for work at school (Tolonen, 1999: 138). At the same time, the concept of a good pupil is also related to the level of activity, in other words, to loudness. In a communicative educational activity, there is still a need for two sides, i.e. silence alone is not sufficient. Children are needed who answer the teacher's questions in turn, using 'controlled speech'. As both silence and chatting during a lesson are considered bad, the term of *an ideal pupil* is a contradictory one (Tolonen, 1999: 139). However, the teacher always strives for a kind of abstract standard (Heikkinen, Jarva, 1986: 83).

Posture:

The boy was swinging back and forth on his chair — and the teacher scolded him.

Alo cannot sit still — sometimes he's napping (head on the table), then he's walking around the classroom or leaving.

Sometimes Rein crawled under the desk and constantly disturbed the lesson (talking to himself).

In addition to a polite vocabulary, a child is supposed to behave correctly: incorrect posture affects handwriting; it is easier to have surveillance over symmetrically sitting children. In requiring external correctness, internal discipline would also probably occur, the latter being necessary for socialization.

Conflicts related to objects:

At school, the relationship to objects is regulated as well — they should be well looked after and used as foreseen *(these have always been the rules)*. The following cases, for instance, refer to problems:

Demonstratively packing up before the end of the lesson.

Twists his pencil and tears up his exercise book.

No headings on the exercise books, nor are they covered.

The concept of a good child at school is undisputed: the child should be intelligent, clean, hardworking, inspired, verbally controlled (speaking only when asked and using proper expressions), not challenging orders, not absent from school, coping within the given time-frame, having a respectful attitude towards his or her own, others' and school property (objects). Whenever a child does not correspond to this standard (and is behaving in an unexpected manner), he or she is labelled not normal. The children perceive that the role of a good pupil presupposes remaining unnoticed and the acceptance of others. To this purpose, they create certain behavioural traditions and rules stemming from the shadow curriculum, which may not be broken (Gordon *et al.,* 2000b: 76).

At the same time, the problems related to children that occur in schools have very different reasons: historical, economic, normative and gender-related as well. Despite the multiplicity of reasons and sometimes the impersonality, the school's strategy is to change a pupil — and when this operation does not succeed, the child has to leave (Heikkinen, Jarva, 1986: 82). At school, the *status quo* is important — both in attitude to things, hierarchies, routines, etc. While the state curriculum confers knowledge to children, the shadow curriculum shapes them to become citizens aware of norms (Gordon et al., 2000a: 195). Thus becoming a citizen means that the subject develops into an object according to a symbolic order established from the outside. The subjectivity thus refers to the lack of something. In this context being a citizen is rather an activity than an identity — an effort is made to pour civic-related contents into a person with no content. So within the educational system, children are expected to behave as much like adults as possible, because the objective of education is to shape decent citizens who know their duties, rights and responsibilities. At school, however, they are still dependent, needing mentoring and discipline. The process whereby one becomes a citizen is, especially for children and young people, a continuous process, and progress here is best seen at school where the limits of reality are construed by establishing norms (Gordon *et al.,* 2000b: 10–14).

The contradiction between school and society is indeed expressed in the concept that the school emphasises regulative socialization, but society as a whole increasingly treasures thinking for oneself, independence etc. (Aittola, 1999: 196–198). Education which should set children free, develop a creative and a happy person, is instead limiting and harassing children (Gordon *et al.,* 2000a). It is inevitable that not all children accept such ambiguity. In fact, in many cases marginal pupils could be considered as normal citizens. But often, at some stage, they just drop out of school, because this is simpler for the institution.

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4 Civil Society, Culture and Identity: Will Estonia Survive?

4.1. Civil society and a sustainable Estonia

What is the relationship between a civil society and sustainable development? It seems that the contribution of a civil society becomes most visible when resources are limited. As with all forms of capital, social capital may be transformed into other kinds of capital, compensating for temporary shortage, encouraging their creation etc. This task of creating supplementary resources and at the same time saving other resources may be performed in primarily two ways by a civil society. Firstly, a civil society could be more efficient than the public or business sectors when solving certain problems within society. Secondly, citizen initiative in itself creates new social capital.

The civil society has been the topic of one of the main public discourses in Estonia over the last two to three years. One of the bases for this is the fact that Estonia is regionally, ethnically and socially fragmented. There is a wide gap between peripheral areas and centres, a valuable part of human capital remains outside investment environments, the share of social dropouts is increasing, and drug abuse (as well as alcoholism) are becoming way of life for some people — all this jeopardises sustainable development for Estonia as a whole. Finding necessary traditional resources (investments, increasing police surveillance, etc.) in order to stop such processes of degradation is becoming increasingly complicated and these resources are indeed limited in Estonia.

The traditional modern public sector (provision of culture, medical services, education) is gradually decreasing in Estonia and is becoming concentrated in the larger centres. In the case of accepting the paradigm of marketization, the integration of society may efficiently be renewed only when initiative, freedom of choice, interests and responsibility can also contribute in the life of society and the service sector. This challenge could be met by supporting citizen initiative and civic responsibility.

The third sector is a label for an action strategy where public and profit sector investments are combined with so-called free resources, which citizens have at their command, but do not use. Such resources are leisure time (people who are unemployed, but are specialists with initiative), good knowledge of the problems and people in one's region (the experiences are far better than their formal presentation), identity, social network, etc. Such resources should not be underestimated. Essential resources for local development include expert knowledge, a network and strong identity (Raagmaa, 1999). The third sector is best placed to play an integrating role in the growing void of resources.

A cooperation memorandum, which was concluded between Estonian political parties and third sector representatives, attests to the importance of this problem. But studies show that the understanding of MPs about what should be done to develop this area, and also regarding the participation and responsibility of the state, are still rather abstract and prescriptive (Ruutsoo, 2001). The self-creation ability of the third sector is overestimated. The third sector is expected to simultaneously offer services to compensate for the current public service deficiencies and also to fill an institutional vacuum. State participation is expected to be limited to allocating start-up financing, surveillance and setting obligations.

The successful functioning of the third sector today is not, however, possible without creating a local government environment, a supporting state infrastructure, new funding schemes, further training, monitoring and other similar factors. Politicians, however, seriously underestimate the innovative contribution of the civil society in recognizing problems, in developing both the ability to speak up for others and cooperation. The hope that costs will be reduced may even be illusory, and the quality of services may drop (Lagerspetz, 2000). What is even more important — the sustainability of the third sector may also become problematic for reasons such as insufficient transparency and the risk of being manipulated (Ruutsoo, 2001).

Many of the development plans which have been submitted to the Estonian parliament, be it local government reform, the development plan for the Estonian civil society, etc, presume structural and institutional changes to support a participation society. A civil society counts on the assumed initiative and degree of socialisation of the individual. A civil society's broader objective is not merely to transfer back to society the

resources that have been created, e.g. using leisure time and skills for voluntary work, and the investment of unused financial resources. The sustainability of society gets its energy primarily from the efficient, transparent and publicly supported re-integration of its fragmented parts and the many different capitals.

An obvious link exists between the civil society, the information society and sustainable development (McChesney, 2000). Estonia is heading consciously towards the information society. To act efficiently means to live with information. The external part of being informed is having technical access to information. The focus of Estonian achievements as an information society is primarily on supplying citizens with information about the activities of the state, local governments and associations. The network of information supply in Estonia is modest compared to Nordic countries, although advanced among post-socialist countries.

Access to contemporary thinking and information has rapidly changed the preconditions for the interpretation of society. Ideologies which emphasize human and civil rights form the basis of public policy. The balanced representation in the media of democratic ideologies must be considered extremely important. In parallel with the struggle between political parties they also bring to the fore the varying aspects of societal life. However, some studies permit the claim that the representation of differing opinions in the Estonian media is significantly different from that in the so-called old democracies. Estonian journalists overwhelmingly represent the liberal worldview (Palmaru, 2001). Estonia, as all post-communist societies, is characterized as being over-ideologized, i.e. instead of dialogue there is doctrinaireism, which may jeopardize development (Potucek, 2001).

The technical preconditions and principles of the information society form the preconditions for policy-making. Development of virtual citizenship does not necessarily lead to the development of discursive citizenship. This means that in a given developmental phase in society, important productive (dialogue) techniques for discussion have been acquired. Modern ways of thinking and discussion cannot be absorbed into society's pores too quickly. At the same time, the virtual environment created can be easily manipulated. Its formal integration into policy-making may be externally effective, but actual participation through this is often fictitious, not to mention ensuring the dialogue of the process. This includes the assessment given by experts to proposals — the advisory support to discussion — which is a form of the participation society needing much energy and resources. When comparing the website of the Estonian Legal Centre Foundation to the possibilities of TOM (Today, I Decide), we see that the latter is an environment which is mainly formal, and it is badly supplied with expert advice, counselling and dialogue. However, the suggestions which were made to TOM and which were extremely important from the civil society viewpoint (e.g. the draft for a civil society fund) were excluded from the proposals to be discussed by the government, due to technical manipulation. Discrediting the virtual dialogue environment is one of the biggest dangers to new forms of public opinion, participation and civic initiatives.

For the civil society as a participation society, the technical aspect should be supplemented by its discursive development, for which the key preconditions are the society's political culture and discursive ethics. A developed civil society means a transition from a simple information society to a knowledge-based society. A knowledge-based society can be shaped only by reflexive and society-aware subjects (Gamson, 2001: 56–74). A developed debating culture inputs and develops further 'the rule of the better argument'. This supports the exchange of ideas, which is economical with time and ideas. The discursively correct mentoring function of a civil society is not conflict-generating but advisory. Therefore, discursive democracy supports economical development. From the information society viewpoint, civil society is the central link in the information re-integration of society and in efficient self awareness.

The development model of a sustainable Estonian society is inseparable from democratization — ensuring speaking up on behalf of the still weak participants, and adding social discourse into the basic structure of the debate, together with the dominating economic and political discourse. Without the formation of the participation society and without developing social, discursive, virtual, etc. citizenship, the social sustainability of Estonia as a whole will be problematic.

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4.2. Non-governmental organizations and sustainability

One attribute of a functioning democracy is an intensive and open communication between the government and the governed. A civil society may be viewed as an environment that provides a framework for making possible a multidirectional communication which is able to influence life in society. It is precisely the civil society, being itself the product of a society that is open and dynamic, which in turn creates the preconditions for regenerating that openness. By creating channels of participation for civic initiative, a democratic state ensures for itself both legitimacy and sustainability.

The purpose of the present article is the analysis of this two-part relationship. On the one hand, we examine the sustainability of Estonian non-governmental organizations (NGOs) themselves, which form a central part of civil society, and on the other hand, we consider their role in supporting the sustainability of Estonian society as a whole. This article relies on three major studies which were conducted over recent years and in which the authors of this article participated (Lagerspetz, Ruutsoo, Rikmann, 2000; Lagerspetz, Ruutsoo, Rikmann, 2001; Trummal, Lagerspetz, 2001a; 2001b).

The sustainability of non-governmental organizations

The sustainability of non-governmental organizations has recently received considerable attention in connection with problems of their financing in Central and Eastern Europe (e.g. Kuti, 1999), and in developing countries (Holloway, 2001). A central theme of these discussions has been the great dependence by these organizations on foreign sources of financing. There are numerous problems which may accompany dependence on foreign sponsorship. Firstly, such a situation provides an opportunity for nationalism-based political criticism of the foreign-funded organization. Secondly, it could decrease the ability of the organization to create its own local support network, which in turn is a necessary prerequisite for its sustainability. If the sources of financial support created by George Soros, for example, which have played an essential role in the financial support of citizens' initiatives, reorient themselves or disappear, along with aid from humanitarian organizations, then the situation of NGOs cannot remain the same. The question is, what part of the NGOs' activities will be directly affected by such a change and what other financial sources will remain at their command? It must also be evaluated whether opportunities for financing, especially from society's own internal resources, are available to replace the current foreign financial channels. It is also possible that new foreign financial sources, e.g. from the European Union, may become available. Accordingly, changes in the financial structure should not be viewed of as too dramatic a turn of events for the third sector (NGOs).

There are no comprehensive statistics available in Estonia on the actual capacity of the financing and other economic activities of NGOs. Using surveys and budget statistics, it is nevertheless possible to make indirect calculations as to the scale of the activity. The financial donations made in 1996 by Estonia's 100 largest enterprises amounted to a total of about 23 million kroons, according to an evaluation made by Jüri Kruusvall (1998) who studied charitable contributions. These contributions were to a great extent made in areas where the key role was played by a prominent individual (well-known sports or cultural figure) or public institutions (education, training; health; public order). Therefore, only one part, and probably the smaller part, of the sum has gone to the funding of NGOs. On the other hand, the number of other, smaller enterprises is reasonably large, so their potential for making contributions to NGOs is considerable. However, this is an area which has not yet been researched as regards funding for NGOs.

According to the Budget Department of the Ministry of Finance, the total amount of payments made by the state to the non-profit sector during 2001 totalled over 200 million kroons or under 1% of the Estonian national budget (Siplane, Kasemets, 2000). This amount, however, in not accurate: it mistakenly contains 80 million kroons which the Ministry of

Agriculture had used for entirely different purposes (Ruus, 2000). On the other hand, later calculations by the Economic and Social Information Department of the Secretariat of the Riigikogu (parliament) have shown the total sum to be as high as 400 million kroons (estimate by Andres Siplane, September 2001). The estimates do not contain payments made to foundations, which have often been established as arm's length bodies for the implementation of state policy (e.g. University of Tartu Clinic, receives 11 million kroons as its budget), or support funding and contractual payments made by local governments to non-profit associations. The support of local governments has been especially important to small associations active in rural regions (see Table 4.1).

Survey research of the non-governmental organizations themselves, however, shows that their greatest source of funding is none of the ones mentioned above — neither the state, local governments nor the private sector. Foreign funding has also proved to be essential for a surprisingly small number of organizations only. When we asked organizations to name their most important sources of financing in 1998, it turned out that in most cases it was the organization itself, particularly in the form of membership dues. A later study, conducted in 2001, also confirms that foreign sources of funding are very important for only a few organizations. Membership dues and the support of state and local governments are more important.

In principle, Estonian public authorities and enterprises do have the resources with which to compensate the possible reduction of funding from foreign sources. At the same time, there are problems associated with both these sources. The priorities which enterprises have for making voluntary contributions differ markedly from the priorities held by foreign contributors — the preferred areas are sports, social care and education (Kruusvall, 1998: 26). So a decrease in foreign funding may change the general picture for the non-profit sector. It must also be taken into consideration that with the elimination of the enterprise income tax in January 2000, the right to make tax-free contributions became tied to the social security tax, and the highest amount which could be contributed tax-free dropped considerably (Ojakivi, 2001). To date there have been no studies to determine whether, as a result of tax reform, charitable contributions have decreased and, if so, by how much. Taking into consideration the importance of the state and local governments as financers, it is a cause for concern that over one-third of all organizations who responded to a survey in the spring of 2001 found the procedures for financing projects and distributing support to be incomprehensible and unjust.

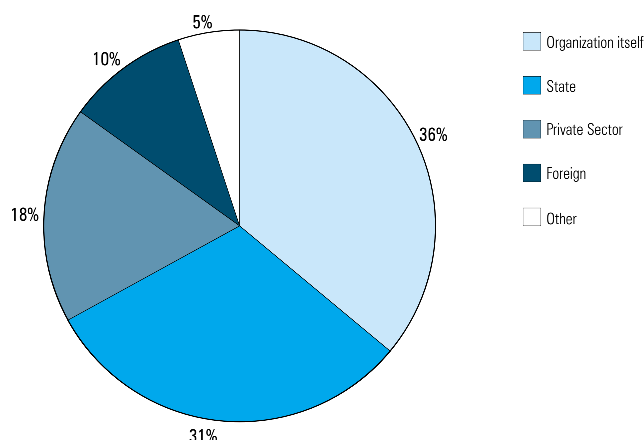
TABLE 4.1.

Importance of different forms of support, according to location, Spring 2001, N = 296

Type of Support	Tallinn average %		City average %		County average %	
	Very important	Non-existent	Very important	Non-existent	Very important	Non-existent
Support by local government	19	40	28	36	38	23
Support by the state	25	34	28	39	38	28
Income from membership dues	18	40	37	26	31	34
Support from Estonian foundations	16	36	20	35	36	26
Support from abroad	28	20	16	39	20	46
Income from appeals, etc.	12	52	9	46	19	50
Support from Estonian enterprises	8	45	11	48	14	39
Support from Estonian private individuals	7	63	8	55	16	45

FIGURE 4.1.

Sources of income for registered organizations, Spring 1998, N = 779



Regulating the relationship between non-governmental organizations and the public sector

Competing discourses

The high point of civic initiative, which preceded the re-establishment of Estonia's independence, continued after the political storms had died down with an avalanche of association formations, which lasted for many years. But this did not constitute a qualitative leap, since the citizens' initiatives did not lead to the formation of new social institutions.

The results of studies conducted at the end of 2000 also show a continuing identity crisis and a lack of common understanding. We found in the interviews three frequently inconsistent elements of discourse. According to the third sector discourse, the first responsibility of citizens' initiatives is to deliver public-benefit

services at as low a cost as possible. The basis for this is the fact that associations know their own sphere of activity thoroughly and are able to use volunteer (unsalaried) labour. Important issues arise which touch upon the professionalism of the citizens' associations in providing the services which have been delegated to them by state and local governments. The discourse of corporatist organization sees the responsibility of the citizens' initiative to keep governmental organs informed of various problems and also to channel societal tensions. Issues, such as which part of the entire non-profit sector or electorate the organization aspiring to become a cooperative partner actually represents, become important in this discourse. The discourse of participant society was represented only marginally among those interviewed. According to this line of argumentation, civil society is above all an environment for guaranteeing democracy and individual freedoms. It is characterized by pluralism and relatively spontaneous development. This sector requires financial support, since it is in an unequal position compared to the business sector: it also engages in the protection of public interests, which cannot always be united with profit motives.

One finding revealed by the study was that the issue which has been for some time the focus of interest in Estonian politics, namely, the delegation of public services to NGOs, is based foremost on initiatives by politicians and officials, whereas the civic associations themselves do not see that as an important goal of their activity. Consequently, changing the legal form for providing services does not in itself mean that there will be a further development of the civil society, although in the statistical sense it would seem to be an indication of the strengthening of the non-profit sector.

Development concept for a civil society

At the end of 1998, a program to increase the sustainability of non-profit associations was initiated by the United Nations Development Program. The following spring, the program's council made a proposal to draft an Estonian Civil Society Development Concept (EKAK), which would be approved by the *Riigikogu* (parliament) and which would regulate the relationship between NGOs and public authorities (see Liiv, 2001: 262). In April 2000, a draft prepared by the working group of the Network of Estonian Non-Profit Organizations was presented to the *Riigikogu*'s Culture Committee for approval. The document, however, came under severe criticism from the Committee, which called for the inclusion of academic experts and others into the working group. A new draft was completed in the winter, which was markedly more detailed than the previous version. After 13 regional roundtable discussions were conducted in autumn 2000, an Estonian non-profit associations' roundtable was held in Tallinn in February 2001, which expressed its approval of the new EKAK draft and elected members to the newly created representative body which was called for in the EKAK project. The representative body submitted the project to the *Riigikogu* on April 23, 2001.

The idea of adopting a document regulating the relationship between the civil society and public authorities is not unique in the world — similar agreements are either being prepared or have already been adopted, for example, in Great Britain, Croatia, Canada, and New Zealand. Compared with similar processes in other states, what makes the Estonian process unique is the fact that the initiative for preparing the document and the preliminary preparation has been entirely the result of the work and efforts undertaken by the third sector. The document's substance therefore reflects the NGOs' own perception of their role in society, and the development of the document reflects a maturing of thinking which has taken place within the third sector. The project as it was submitted to the *Riigikogu* on the one hand touches upon concrete issues which are connected with norms for representation, cooperation, dissemination of information and principles of financing, as well as for working out policy and drafting legal acts. On the other hand, the concept lists abstract values which form the basis for cooperation, such as pluralism, responsibility and accountability, participation, tolerance, etc. Thus, the ever-increasing range covered by the EKAK shows the non-profit sector's growing self-confidence and clarification of its goals. The preparation work itself and the creation of the non-profit associations' roundtable representative body has resulted in the formation, within a few months, of an active avant-garde, which is prepared to argue the discourse of participant society as described above.

Perspectives for the future

The free association of people to advance their own interests and values has, in the opinion of many Western social theorists, begun to replace traditional politics (see Beck, 1995). In Estonia, alongside the traditional activity of societies, new associations and movements are being formed for the clear purpose of influencing local communities as well as the wider society; trade unions are becoming more active. Civic associations, however, still have relatively low funding resources at their disposal and even these are concentrated in the larger cities (Lagerspetz, Ruutsoo, Rikmann, 2000).

Unfortunately, it seems likely that the advantages of association may be put to use only by citizens who are financially well off and have experience in dealing with relatively elaborate formalities. In the event of a reduc-

tion in foreign funding, an ever-increasing number of NGOs' financial well-being will depend upon the public and business sectors' willingness to cooperate with them and to listen to them. Whether and to what extent the civic associations are able to open new channels of influence will depend to a large extent upon the public authorities, in other words, the legal and administrative environment in which they operate. This environment, in turn, is formed by the views described above by the analysis of three different discourses.

It is not possible to achieve a consolidated democracy — where all people have an opportunity to have their say in the decisions which affect them — merely by creating the set of institutions required by representative democracy. From the standpoint of the legitimacy of the system of government, and therefore, the standpoint of the sustainability of democracy, it is necessary to add to the political decision making process the ability of NGOs to monitor and to influence the process. It is necessary to not only improve the opportunities of people and their associations to receive information about decisions which affect them, but also to improve their chances of influencing them.

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4.3. Qualitative study on the social capital of Albu and Kabala municipalities

In addition to economic indicators, such as GDP, GNP, volume of foreign investments, etc, the term 'social capital' has also entered into use when describing modern society (Bourdieu, 1986; Putnam, 1993; Rose, 1996; Fukuyama, 1997). The concept of social capital (SC) helps to describe institutions, relations and norms (confidence), which form the quality and the quantity of social synergies. SC expresses the social resource of the community, which may favour or, on the contrary, hinder, the development of a given region. In contrast to financial or human capital, SC is not related to an individual's indicators such as the level of education or IQ. It is related to the characteristics of human communities, such as mutual trust or cooperation capability. It is much more difficult to assess the characteristics of human communities than those of an individual.

World Bank analysts claim that it is impossible to set up the one and only SC indicator, in the same way that the amount of dollars is a firm measure of financial capital (http:://www.worldbank.org/poverty/scapital/). Moreover, the creation of such a universal SC indicator is even considered undesirable. The following circumstances may hinder the utilization of any universal SC indicator:

- SC is a complex multidimensional phenomenon which contains different units and levels. SC indica-

tors are compiled from very different indices such as trust of government, electoral trends, membership in various voluntary organizations.
- the phenomena belonging to SC such as the community, networks or organizations, are intrinsically vague and therefore measuring them is problematic.

Despite the objective difficulties of assessing SC, there is a growing popularity of studies in this field, witnessed by the increasing number of publications and conferences. A new field of social sciences is developing. Voluminous means for measuring SC have been set up (Social Capital Assessment Tool) which enable us to evaluate the profile of the community (joint actions, solidarity, management style, ways of settling conflicts, number of NGOs, etc.). There are also household poll questionnaires and studies on formal and non-formal organizations (Krishna, Shrader, 1999).

Let us consider the example of the National Planning Bureau of Colombia, which carried out an ambitious project in order to assess SC, in relation to the governmental plan to develop participation democracy (Sudarsky, 1999). A special measuring instrument was established (Barometer of Social Capital, Barcas), which was applied to a representative sample (N= 3000). Different indicators of SC were measured, such as trust of institutions controlled by the state, participation in political life, trust of the state, political education, horizontal solidarity, participation in voluntary organizations, trust of the media, the thoroughness shown by the media when presenting problems, participation by citizens in elections, information given by the state to citizens, isolation and atomisation of citizens, etc.

Two major factors were brought out when analysing the data: social capital and trust in information sources, which explained 38% and 12%, respectively, of the variability. The outcome was that society's control over state and government had the biggest impact on SC. The lack of capacity of society to influence state bodies referred to a low SC. The biggest dissatisfaction was with the activity of parties and the parliament. The people also do not know how to carry out societal control over the state, especially when doing it collectively. The study concluded that due to the weakness of SC (against the background of lack of trust and existing corruption), the people turn to the church or stay within the limits of their families (or clans). The biggest reservoir of SC is presumably the growing awareness about social control and the importance of participation in Colombia.

The results of the Colombian SC research remind one of the Estonian situation (low rating for the government and the media, general weakness of SC), even though the causes are different. The main contradictions in modern Estonia result from the fact that the natural development of society was hindered during the last 50 years, but at the same time Estonia is facing the new developments of a global civilization (Vetik, 1999). The communist regime destroyed the preconditions for a civil society in Estonia, and preserved community and corporative ties between people which might hinder the creation of SC.

Study of social capital in two municipalities

One could assume that local SC has played an important role during the decade since the restoration of independence in Estonia. A municipality with a strong collective identity was obviously more resistant to the confusions resulting from the complexities of property and land reforms, from the liquidation of collective and state farms, the emergence of unemployment, etc. It might be presumed that SC encourages successful development, which in turn brings more SC to the local region.

The study was carried out in two municipalities of Järvamaa county — in Albu and Kabala, which are similar as to their size, natural surroundings as well as their condition at the time of regaining independence, but the municipality of Albu was still considered the more successful by experts. The basic idea was to study two municipalities, which were similar as to their economy, in order to identify the impact of SC on overall development.

The target group method was used to study the three main sectors of a civil society. Three group interviews were carried out in each municipality — one for local government representatives, another with the representatives of citizens' associations, and the third one with entrepreneurs. After drawing conclusions from the study, a new meeting with the inhabitants of the respective municipalities took place. They had previously had the possibility to study the report and were able to jointly discuss its findings. The discussion especially focused on possible developments in the municipality according to the study's conclusions. This was important because the study was carried out not only in order to obtain new knowledge but also for enhancing social development in the region.

First of all, let us present *the similar features* of the two municipalities, where the traditional activities involve agriculture and forestry. Before the restoration of independence there were collective farms (Kaardiväelane, Tammsaare and Leninlik Tee). The municipalities had previously been joint economic entities more than anything else. All life activities, including the school, kindergarten, shop, medical centre and service sector, had been subordinated to the needs of the main employer. The average income of the two munici-

palities is more or less the same at the moment (just over 1500 kroons of income tax per municipality inhabitant is collected per annum), the state of the roads is poor, human relations cover the whole range, neighbours help each other and the cultural top events are theatre performances at Vargamäe as well as the historical Kabala Saturday.

As well as similar features, there are also *differences,* which may result in differences in SC. One such factor could be the history of administrative division which has been stable within the municipality of Albu but changing within Kabala (which has belonged in turn to the regions of Türi and Viljandi, and is currently a part of Järvamaa county). Consequently, the Albu municipality inhabitants are characterized by a higher regional identity. This local identity has also been influenced by the fact that in the soviet time there was no other source of attraction in the area, whereas for the Kabala municipality the attraction was the Võhma Meat Processing Plant.

The more successful municipality — that of Albu — was characterised by the following features:

- a stronger local identity, effort to create a positive image of the municipality
- an effort to maintain human resources, there are twice as many enterprises as in the other municipality;
- an active search for investments, skills for writing project applications;
- the institution of village elders functions, ensuring links between different local regions; there is a municipality newspaper free of charge;
- a higher participation rate in different organizations, well-known leaders of the municipality, entrepreneurship and the third sector;
- youth work, and the scouts organization function;
- re-socialization of families with problems, the unemployed are cleverly utilized in community projects.

Thus, development has been more successful where the human ties were best preserved. It is not an accident that there are approximately twice as many entrepreneurs in Albu compared to the other municipality. The role of the church may not be underestimated, either. It is very important that the local inhabitants have had reference points to stress their historical identity (Vargamäe).

However, even within the more successful municipality, the role of social capital and that of the third sector, which is central to this capital, is understood only in a partial way. Just as citizens' associations do not expect much from local governments and entrepreneurs, the latter also do not perceive the role of the third sector either in maintaining and renewing social capital. Local governments have realized that their task is to ensure a social environment which would prevent departures from rural regions, in order that even the currently existing low entrepreneurial potential in the villages is not lost. The more active citizens have tried to maintain the operation of societies. Entrepreneurs have contributed, according to their possibilities, to community events by donating their production and providing small sums of money.

Estonian society is now reaching a new development phase where there is awareness on the state level about the need to develop a civil society and this in turn is setting new challenges to the three sectors of the civil society. The modern mobile lifestyle and deepening individualism demand a bigger life-space and more extensive possibilities than those offered by a municipality with 1000 inhabitants, however well the reproduction of social capital is organized. People do not want to remain carpet weavers forever, from generation to generation, or sawmill workers. They do not want to purchase from village shops with a limited range of goods, they want to have a wide selection of products in supermarkets.

Consequently the municipal institutions should be oriented towards wider cooperation, and cooperation with neighbours as well. Cooperation should be set up within each sector — between local governments, entrepreneurs and NGOs. Whereas the so-called survival model for social capital has so far included, in addition to official support by the local government, mutual cooperation by the population and neighbour help as well, then today the orientation should shift towards a development model — creating a greater number of horizontal and vertical social ties both within a municipality and between the organizations of different municipalities. In order to visualize such a development perspective and to rethink the missions of the municipality in reproducing social capital, a development forum involving all municipality sectors and all active inhabitants would be needed.

Main conclusions

- The study of SC in two municipalities showed that life on Earth is unthinkable without traditional fields of activity. Rural people want to do rural work: agriculture and forestry.
- When new enterprises are set up there should not be a new closed system created, e.g. mono-cultural villages, where all working age inhabitants weave carpets from generation to generation, with no other alternative ways to earn an income. Modern people need choices in the countryside as well.

- The previous conclusion refers to the need for administrative reform because the municipalities are too small. The areas of operation for local governments should cover a wider territory with varying opportunities to choose an activity, and normal transport conditions between work and home. The entrepreneurs of only one municipality are not able on their own to support social investments, but this could be done by regional enterprise networks.
- Help is needed in creating social cohesion in the countryside, developing, in addition to horizontal ties (neighbour help) vertical two-directional structures to enhance information distribution — the institution of village elders, municipality news distribution (a newspaper, for instance).
- On the one hand, decisive measures by the state are needed in order to contribute to the enlivening of economic life in rural areas, and on the other hand, support by the nationwide structures which unite civil associations in order to develop rural NGOs (by means of training and setting up cooperation structures) are also needed. Because, in addition to enterprises, the third sector is also a potential creator of new jobs — but currently its main role is providing leisure-time entertainment for municipality inhabitants.
- Very few civil associations are established due to the complicated and bureaucratic process of registration, and there is also a lack of relevant skills and knowledge.

The general conclusion is that just as there is a need for cooperation on the local level between local government, business enterprises and citizens' initiative organizations, there should be cooperation in the whole country between the public sector, enterprises and the third sector. The state of Estonia has constructed the upper storey in the first decade after restoring independence. But the house needs a foundation, and this foundation would be based on the social agreement of its citizens.

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4.4. Estonian society carried by the tide of western consumer culture

Media consumption by the Estonian population has clearly passed beyond the limits of the so-called traditional national-corporate societies (Vihalemm, 1999). Similarly to other western tendencies, Estonians' consumption has also acquired, to a significant degree, a symbolic dimension. Compared to such values as being respected, friendship and self-fulfilment, the possession-acquisition of something has for the Estonian population assumed a relatively high position in the hierarchy of values (Table 4.2). The hedonism and individualism characteristic of western consumer culture hold an influential position in the Estonian (advertising) media (Keller, 1999).

The main issue of the following analysis is how the popular culture focusing on consumption and unifying values, and transmitted through the global media, influences the cultural sustainability of Estonian society. This paper discusses cultural sustainability primarily at the grass roots level, and through the prism of lifestyle, leaving aside the elite and so-called high culture. The temporal axis of the analysis is the Soviet period *versus* the capitalistic Estonia of today or, in other words, how the two different eras are viewed with regard to consumer culture. The other axis of the analysis is spatial, and proceeds from the us-and-them relationship, meaning the contrast of Estonia *versus* developed western states. In connection with this, we have posed the following research question: is the ideology of western popular culture perceived in Estonia as a unifying force,

or is it still mostly thought of in terms of the Soviet regime *versus* the present time, which means mystification of western consumer culture as the provider of freedom of choice to the individual.

We also examine the content of the us-construct in the context of consumer culture, e.g. to what extent people recognize and wish to use the so-called alternative approaches to life (a green lifestyle, etc.).

This treatment is based on the analysis of student essays. The sample consists of 52 essays written in the spring of 2001 by second to fourth-year students studying in various departments of the Faculties of Social Sciences and Philosophy, at the University of Tartu. The topic of the essay was: "The onslaught of western consumer culture into Estonia: What does it mean for me, what does it mean for Estonian society?" In interpreting the results, we have approached the above texts as a critical case sampling, since the essays have been written by young people who are more familiar with the topics of consumer culture and communication than is the average citizen. The methodology used consists of a qualitative content analysis, and excerpts from the texts illustrating certain themes have been grouped under categories (e.g. then vs. now), which were derived from the basic issues of the study.

TABLE 4.2.

Dreams held by the Estonian population

Q: Suppose that your wishes could come true. What would be your first (and second) wish?	
To be less concerned about the future	68
Do/acquire something that you've dreamed about	52
Self-fulfilment	29
Have more friends	21
Be respected by others	11

Source: Emor, territorially representative survey of the population, aged 15-74, spring 2000. Answers shown as a percentage of all those who responded.

Then *versus* now

In the opinion of some researchers, the cultural environment characteristic of the Soviet period, during which alternative ideologies were eliminated, created a suitable environment for the development of an identity of cultural resistance based on a national-romantic ideal. This was because a so-called ethnographic identity was one of the few forms of ideology which were permitted (see, for example, Calhoun, 1994; Lauristin, P. Vihalemm, 1997). Resistance, however, was also expressed by dreaming of the western consumer world, which in turn created favourable conditions for the rapid acceptance of everything from the West, because capitalism, consumption and a free civil society seemed to be one and the same (see also Slater, 1997).

The understanding that the freedom to consume is today one of the forms of freedom for western citizens is also confirmed by the student essays.

- *In 1990, I was 11 years old and my world revolved around Marie candies, Donald chewing gum and Mars chocolate bars; my big dream was a Barbie doll. It's these things in particular that still symbolize for me the first memories and dreams of "true happiness and a world in which I would have wanted to live."* (F, PR III yr.)[1]

The Soviet era was perceived as colourless and depressing. Wearing similar grey clothes was a metaphor for the lack of individual freedom.

- *Since the range was very limited, there could be hundreds of one item for sale — for instance, a couple of hundred of exactly the same grey overcoat, and not a single one of any other kind. So that meant that most women walked around with exactly the same kind of overcoat, hat and boots; there just wasn't anything else, and since there was no choice one had to buy what was available.* (F, PR II yr.)

The student essays also bring out the Soviet-era slowness of tempo and security of routine, in contrast to the over-colourful reality of today, which is burdensome to people (especially the older generation) and forces them, at every turn, to make difficult (consumer) decisions.

- *The slower and routine-filled life we had before was turned upside down: people today are being constantly lured into spending and into using increasingly more innovative products.* (F, PR II yr.)
- *Older people were not ready for such rapid changes, and the situation went out of control. When Estonia re-established its independence, older people wanted cornflowers and a Riigikogu [parliament] dressed in national costumes, but instead they got Mickey Mouse and McDonald's*. (M, POL IV yr.)

The analysis of the essays shows that the comparison of 'then' and 'now' speaks in favour of the 'now'. Thus, it may be stated that the negative experience from the Soviet era created favourable preconditions for the weakening of cultural resistance to western consumer culture and to the promotion activities carried out by the giant companies. Due to the small size of the

[1] F – female student, M – male student; PR – public relations major, JOUR – journalism major; POL – political science major; GL – German language major. The Roman numerals designate the year of studies of the student at the time that the essay was written.

Estonian market, most firms do not employ ethnic marketing ideas locally, i.e. culturally adapted approaches to the consumer. In the case of larger geo-cultural regions, there is an effort towards context-sensitive product development, and a dialogue is carried out with the consumer in order to draw on new ideas from the local substance (see, for example, Staubhaar, 1997; Preston, Kerr, 2001). It is claimed that this has raised the cultural self-awareness of local communities (Riggins, 1992). The smallness of the Estonian market in all probability does not justify such a business approach, and leaves Estonia without the opportunity for dialogue.

Us *versus* them

The desire to distance oneself from a post-Soviet image is clearly a prominent theme in the student essays. Here we see various sub-discourses. Firstly, some students are critical of following the West at any cost, and see a significant danger to both financial and cultural sustainability.

- *And so, in adopting a western consumption lifestyle, Estonians attempted not only to catch up to the West but even to overtake it. Instead of saving money, they started to spend.* (F, JOUR III yr.)
- *But the meanings carried by 'our' current products, services and lifestyles actually come from elsewhere: they are imported and devalued.* (F, PR III yr.)

Secondly, Estonia's efforts to westernize are justified as being inevitable. Estonia's tarnished image from the soviet era can only be washed clean by accepting the European-style consumerism of today because it symbolizes freedom, justice and progress, and it also helps to distance us from the East.

- *The changes which took place in the 1990s were definitely good and positive because the world of colourful packages and items makes us feel that we belong to Europe, that we are equal citizens of the world and not an isolated small nation.* (F, PR II yr.)
- *Despite the fact that the standard of living and transitional problems mean that we cannot yet call Estonia a real European state, nothing can stop us feeling like one; we can still benefit from the additional value provided by Estonia having a western image.* (F, PR III yr.)

Thirdly, there was a discourse stating that Estonia will not be reaching the level of senseless western consumption any time soon because of limited financial resources. Whether this room for development is a kind of life preserver for Estonia, or whether it must be filled in any case with western examples, creates conflicting reactions.

- *Since the period of existence in Estonia of a goal-oriented and trend-aware western consumer culture has been relatively short, we have not yet become as much of a consumer-centered culture as have most of the developed western states.* (M, PR III yr.)
- *Estonian society is not quite ready to accept western consumer culture because the opportunities for its realization have been distributed too chaotically*. (F, PR III yr.)

Fourthly, there emerges a discourse most positively inclined with regard to the sustainability of Estonian culture. The students are sure that there will be a sensible opposition to the influence of western popular culture, and that this will draw on the internal resources of Estonia's own culture.

- *Right now our enthusiasm is still too great, because we have only been able to enjoy the abundance in the shops for about ten years. I am sure that Estonians as a people are sufficiently close to nature, with strong traditions and values, not to let themselves be overwhelmed by the initial enticements of western culture.* (F, PR II yr.)
- *In Estonia, things have not yet become as drastic as in other more westernized states. Here home-grown fruit and vegetable preserves are still valued, as well as grandmother's knitted mittens and socks.* (F, PR III yr.)

Direct-resistance practices (green consumerism, consumerism avoidance campaigns, etc.), that exist in the West, are relatively unknown in Estonia. For example, in April 2001 an appeal was made through the Estonian media for a television-free week. This generated a relatively low response in Estonia. Of those responding to an *Eesti Päevaleht* survey on April 24, 81% claimed that they would be able to go a week without watching television. During the television-free week, the time spent by Estonians watching television was, on average, 3.67 hours per day. The indicator for the previous week (April 16–22, 2001) was higher: 3.74 hours per day. However, viewing did decrease the following week (May 2–8, 2001): down to 3.56 hours per day, but this may be no more than a seasonal decline in viewing (Emor, BMF Gallup, Media, television and radio listening diary studies 2001). However, it is possible that the appeal may have to some extent accelerated the declining trend.

John Fiske (1989) has advanced the thesis that the new consumer ideology also creates new resistance practices (e.g. through decoding the texts of advertising and other promotions), thereby preparing a basis for the re-creation of social and cultural identities on a grass roots level. Estonian consumer folklore, which is starting to emerge, is essentially still relatively 'soft', and various modifications of advertising texts, etc. mostly serve to adapt the promotional culture into

everyday reality rather than to construct counter-meanings. There is more criticism regarding the commoditification of social issues through social advertising (e.g. ethnic relations) (Vihalemm, awaiting publication).

Even the green movement and environment-friendly considerations will probably not become widespread in the near future. People may generally support environmental protection and greenness, but most people will not themselves be prepared to give up their consumer pleasures on those grounds. Only about one quarter of people in Estonia have claimed that they would definitely be prepared not to purchase products manufactured by producers who harm the environment (Emor, 1999: 41–42).

In the student essays, there is a prominent critical-wistful discourse on the environment topic, which also states the truism that Estonian consumer culture is, similar to the West, self-devouring and as a young capitalist state, consumer enthusiasm together with the simultaneous lack of money are still too great for people to be prepared to pay more for goods which are environment friendly. There is also reference to the hypocrisy of pretend-environmentalism, admitting that environmentalism as such has also become a product, which can be successfully sold and which in actuality causes the consumer carousel to spin ever faster.

- *There is no alternative now but to empty your mailbox and throw them away. You could take them to the wastepaper collection site, but at least in Jõgeva, where I am from, that place was abolished a few years ago. So much for the systematic preservation of nature.* (F, GL III yr.)
- *Although such an all-encompassing 'green boom' has not yet arrived in Estonia, it looks like it could be on its way (the much talked about green Estonia). And it probably could work here because Estonians have always talked about their great environmental friendliness (which in reality does not exist). Such a campaign would also give people the opportunity to re-position themselves through ecological consumption (before I was bad, now I am so good and environmentally friendly).* (F, PR III yr.)

On the basis of these essays, it could be stated that Estonians' historical experience of cultural resistance is more likely to have created a ready basis for the acceptance of anything from the West than it has helped to construct a new type of identity to resist cultural levelling. Green consumption is also not yet finding sufficient support because of the shortage of money and consumer enthusiasm. However, it can still be claimed that there exist certain preconditions in society for resistance to the global consumption-centered and unifying popular culture, for preserving Estonia's own cultural uniqueness and recreating the diversity of small subcultures. It is certain that in the future an ever-increasing role will be played by educated and critically thinking young people (especially today's students) who have the potential to become influential in society.

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4.5. Will the e-state ensure Estonia's future existence?

Ten years after restoring independence, the state of Estonia clearly faces leadership problems which range from a lack of administrative capacity to ensuring public order on the streets. This is due to the psychological tone of the transition period whereby new things are created but the functioning of those things already created is left unattended. The need for new toys and new garbage dumps is increasing, thus overshadowing the objective and meaning of the organization of public and private lives. This process is eagerly supported by the mass media, which values the news (and only the 'new' news). The relationship between cause and effect has become disjointed, abidance by the law is selective and, unfortunately, this is the case for all levels of Estonian society.

The civil service has been substantially renewed throughout the last decade, but it is feeling increasingly sure of its privileged position, is aware of the fragility of the audit structures, and looks disapproving when there is talk of personal responsibility. It is the distribution of power, not the creation and maintenance of management structures, which is being carried out. This is accompanied by hide-and-seek games in the never-ending process of restructuring (positions and institutions renamed, new appointees unwilling to remember their predecessors, not to mention these people's promises). Strategic decisions are made in a hurry without due consideration, because the decision-makers do not feel a part of the implementation process. The secrecy and carelessness which accompanied privatisation is not anything extraordinary or accidental.

Will such a 'free-as-a-bird' life become better organized thanks to the electronic medium? Or is it a new toy which after a certain time will be sent to the garbage dump? The e-governing strategy so far is not so much characterised by a willingness to involve new communication means in more effective government, as it is characterised by propagandistic icons. They seem to think that there is just one more small step and then we will be the unbeatable masters. It is so easy to achieve administrative capacity — all it takes is lighting up the screens and guiding the subjects, like moths, toward the flickering lights. And will our e-readiness, which has been praised on several occasions, be transformed into a policy which will not only seem attractive, but will actually give advantages to Estonian citizens, advantages which do not yet exist in the big countries?

In order to understand the possibilities of 'electronic solutions', the situation of modern society should be observed in a wider context. What are the relations between people and institutions? How do people understand what is going on around them? Is there room for Estonia and Estonianness, both on an organizational and psychological level? What is the attitude of individuals towards the country they are living in? Does it exist in our hearts and minds, or do we think of it only in difficult times (mugged and alone in Manhattan, in the Labour Office after being fired, in the police station after a narrow escape from thugs, etc)?

A liberal and free society favours a focus on the individual and free egoistic choice which may only be deterred by an equal opponent. Power remains power in every situation, and one comes to an agreement with authority, not vice-versa — this is becoming recently more and more evident in Estonia. The political will of the individual politician rules even over the laws of nature, not to mention expert opinion. Knowledge, which is not supported by an understanding in the power hierarchy, is of no value. This American-like, boss-centered world is universal and unsurpassable. Compassion, using one's head, foreseeing events — all this is mostly excluded.

Linking development with the adoration of the individual has created a strange world of dependency where galloping mass consumption provides blinkers and excludes other forms of human life. This results in concentration on the wallet, warm hands, glowing screens, specific language usage — only that which is within arm's reach. And in the worldwide web, one is also permanently stuck in the everyday, with the bottomless resources of the Internet providing mostly entertainment and enough knowledge to keep hold of one's job. The views held on one's nation or state no longer come to mind, because they do not belong to the private, local network.

In any case, what is desired is individualism, which weaves a world of ego-centred networks to which an electronic handle has been fitted. It is not without purpose that the aim is to combine, into the one 'picture box', the whole communications world which has so far functioned separately (phone, radio, TV, Hi-Fi, clock, whatever), in order to achieve for the individual a state of continuous pressure to choose. This forces people not to think about the meaning of life, but about the (apparently) primary element in their lives — consumption, and the extension of their lifestyle. Life lived in the name of purchasing a new computer or changing the brand of mobile phone has more sense than trying to find the meaning of life, giving it a societal dimension and finding each individual a personal mission. Giving away a drop of blood to the pharmaceutical industry seems more natural than ensuring every patient gets treatment. This

behaviour is seldom rationalised — asking why we decide this way or why we do something. People sense that they are powerless before the powerful of the world (who, in fact, are as fragile as any human in body and spirit). They sense that they are powerless before monopolies and those in control of any given situation. This is also an individualistic isolating shell — the important thing is that the centre of tragic events is far away from me.

And in such an environment, what is an e-state — a knickknack among many? The state is losing its psychological importance and significance, becoming a minor junction in the field of electronic and individual networks — drowning in the former, because they are a myriad, and becoming an outsider in the latter, since the social capacity and socialising field of an individual is limited. The networks themselves are becoming increasingly looser, more fragmented, entangled in the search for the new and interesting. The individual withdraws into his or her shell and tries to solely decide as much as possible, whether to subordinate the co-members of the network or whether to get rid of them.

The same is happening on an institutional level. Whenever difficulties occur in companies, which to date have had a relatively short life span, there is no effort to jointly overcome these difficulties, but the emphasis is on looking for routes of escape. This permanent tension which chews invisibly, this inevitable insecurity, is a strong player in the world of electronic communications. Direct physical communication is abandoned in favour of machine-mediation (both Internet and mobile phones), where nuances are concealed in the cables and the contexts are superficial. The stress is on the matter being handled, not the person with whom it is conducted.

Defining significances, belongings and identities is more than ever the task of the individual alone. The context becomes more and more an 'inner feeling' issue rather than actual reality. The limits are more subjective than ever before. The world of electronic opportunities provides an enormous field of communications networks, where one may wander, but in doing so, lose loved-ones, and also oneself. Therefore, besides social capital, there is also talk about special network-capital. Autonomy, opportunities and insecurity guide the individual on the road of self-determination for both the identity and sociability in the modern world, which is ego-centred and tied into personal (not only into electronic) knots.

Against this background the Estonian e-state project with its focus on civil servants (over-emphasising both the individual and his/her role) is a logical outcome. The Estonian e-state must succeed with both the foreign and domestic propaganda tasks (effective e-government, Internet free of charge for everyone by 2004) and ensure an easier working life for civil servants (fewer papers, fewer personal contacts, less discomfort due to having to look people in the eye). The e-state today is merely a small feature accompanying the Internet, of which few are aware. The TOM-project (Täna Otsustan Mina — Today, I Decide) has, during its short lifetime, shown both a lack of competence as well as narrow-mindedness, being merely a place to get something off one's chest, instead of publicizing or creating ideas. And the word is that civil servants pay no attention to it, unless the issue is politically topical. Feedback occurs between the individuals involved in the project, and not with the civil servants.

The ideology shared between state institutions, with its focus on unifying the production of electronic documentation, is reflected in the description of the ongoing progress of the e-state project, and this may be found on the following website: http://www.riso.ee/eriik.html. It is characterised by the eagerness to create multi-purpose modules and the hope that coordinated data can be handled in all situations. Its orientation is to serve civil servants. Citizen-users are expected to find their own way. The majority of laws and regulations, however, are difficult for even Members of Parliament and readers with a legal education to comprehend. The e-project should imply the existence of flexible and competent feedback, which is not the case. In a situation where since summer 2000 to autumn 2001 32% of the adult population has had some contact with the Internet (has used the Internet during the last 6 months), one should think about a certain lack of future for emphasis on the electronic media, since the increase of new citizen-users has clearly halted, for whatever reason.

It is hard to find in the offerings of the e-state anything specifically Estonian-minded, or even correct Estonian language usage, and this leads us to an important question of attitude — whether this army of civil servants, for whose primary consumption the e-state is being built, has not grown tired of announcing the ideal, and is now acting merely from inertia and in the interests of wages and power? The current condition of the Estonian e-state does not augur a long future for us as a national state. Citizens will become alienated, become merely individuals with their own communication networks wherever in the world, from where they can get help and sympathy — something the army of Estonian civil servants is unable to provide.

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http://www.riso.ee/eriik.html

4.6. The identity of Estonians and *cairos*

Small nations do not create major history, major history is created for them by others. However, small nations do have one possibility which the ancient Greeks called *cairos*. *Cairos* is the ability to recognize the most suitable time for doing something. Moreover, it is indeed an art to act within the eternal flow of time in such a way that catching the right moment for an action actually ensures its success.

One million Estonians have not been able to change the way the wheels of the 20th century have turned, but as a small nation they have still managed to make themselves visible to millions of people. This has happened thanks to their ability to recognize the right moment. Their identity aspirations were fulfilled by winning the history lottery's grand prize — the birth of a nation state. They have even managed to utilize *cairos* on two occasions — in 1918 and again in 1991.

Cairos of course is not only good for the creation of nation states, but it is also an essential art for the organization of the entire life of a small nation. The precondition for identifying important moments is the existence of national self-perception or identity. Identity in its turn is not an eternal and unchanging unit, but something constantly changing, sometimes becoming more mature, sometimes a crumbling socio-psychological reality. Tacking amongst the bigger players in order to make the best of one's chances requires that the national identity itself should be distinct and clearly comprehensible. A vague ideological identity or an identity whipped up in a propaganda machine is not the right springboard for the leap needed to catch *cairos.*

Identity grows and matures in certain cultural contexts. Culture is by its nature a continuous reality which is, however, in permanent contact with social discreteness. One of the manifestations of discreteness are political regimes which generally also use their short lifespan to change important cultural symbols and cultural texts. It is not difficult to find examples of conflicts between the continuous and the discrete in recent Estonian history: 'the silent era', the witch hunt against 'bourgeois-nationalists', European democratic ideals being suffocated by the stagnation era, the disintegration of collectivism in radical rightwing conditions. The conflict situation between the long-term orientation of culture and political short-term strategies can be tragic for those involved. The desire to abide by cultural norms may even become life threatening (the liquidation of kulaks is an example from recent history, and the harassment of intellectuals). Such opposition between the continuous and the discrete certainly causes problems for a culture-based national identity, which some people often wish to force into a bed of Procrustes consisting of new, merely briefly popular ideology rules.

The contradiction between continuous and discrete may also be observed in other forms: as a dilemma due to the longevity of cultural memory versus the briefness of the existence of single generations. Cultural memory always has more to give to any specific generation than the generation is willing or able to receive. On the contrary, each generation has outbursts of modernization during which it wants to change the basic patterns of the culture, more than that which is possible for the continuity of identity. It is unfortunately true that trying to rewrite history can result in tragedy.

During the last decade, a new explosive period has occurred in the cultural history of Estonians, due to a collision between the continuous and the discrete (see Y. Lotman, Culture and explosion, Tallinn, 2001). Politicians have attempted to simultaneously turn the wheel of history backward as well as forward, in other words to make Estonia live in the 'golden 1930s', and to implement, at the same time, turn-of-the-millennium Nordic living standards. Political U-turns have inevitably brought about a shift in culture and living patterns which in turn have caused tragic events in the lives of tens of thousands of people (inability to cope, inappropriate goals, the abnormally widespread existence of stress). One of the definite results of this explosion, during which the main cultural structures rapidly repositioned themselves, was the re-thinking of national identity.

Thoughts and reality

In 1989 our national identity was yet again at a crossroads. As a result of many political-generational games, this had been reduced to a situation of 'Russian rule' vs. 'Estonian ideal'. This long-time suppressed conflict contributed to thought in three main directions: 1) how to restore 'the golden Estonian time'; 2) how to get rid of everything soviet, especially the nomenclatura; 3) how to redefine oneself as a lost relative who, after fifty years, wants to return to Europe. All this was a mental construct by a small nation who wanted to renew its identity, and the thought construct was based on a long-time opposition to Moscow. Political changes amplified these thought processes.

The resulting reality from a meeting of the past and the present, however, turned out quite differently. Firstly, it became clear that 'the Estonian era' had been glorified because the people who talked about it 'remembered' primarily their childhood and youth,

which, with the onset of old age cannot help but be beautiful. But recollecting the safe 'Estonian era' is no longer sufficient for the most creative strata of society (those aged 20 to 40) to become inspired enough to restore a beautiful farmhouse or a corner store. The new generations were no longer prepared to resurrect a happy peasant society, and the dream of 140 000 renewed farms was quickly replaced by everyone's ideal of a car for every family. Despite expectations, the agrarian way of life, which had been extensively preserved even during the time of collective farms, started to fade, and now we have huge difficulties in identifying ourselves as a rural nation.

Secondly, it also became evident that the soviet 'stuff' could be ignored when it was there as a red ideology and Russian-language bureaucracy, but merely cutting off the 'flowers' did not mean that the roots were also cleaned up. During those forty-five years, powerful social networks were established, and they are still successfully functioning 10 years after the liquidation of the red political regime. It is just not possible to abolish the relationships which were formed in the soviet time in the economic and administration sectors, and which today constitute private companies. In the same way, it is not possible for the integration propaganda to bridge the chasm of the segregation of Russian and Estonian communities which had only deepened throughout the decades.

Thirdly, the collective farm system with its network encouraging simple collectivism dragged out the survival of the archaic village-centred lifestyle of Estonians, and now these people have problems with a liberal-individualist society. The village and the town are more opposed than ever before. The village is a community with an emphasis on the permanence of settlement, but the town is a community based on migration, which adapts and changes rapidly. To summarize — it is not possible to sweep the place clean of attitudes, social relations and networks which have formed over half a century.

Fourthly, Europe may have even been waiting for us to return, but we are still a province with an undetermined status. This has occasioned questions such as: can this province be defended, is the population going to run off to the West when the labour market borders are opened, etc. In the fear of losing out in the global economy, we have even produced a nice and clearly elitist legend about searching for our very own Nokia. Unfortunately the proverb "Seek and ye shall find" may not be true in this case.

So, many of the ideals expressed ten years ago in the name of preserving the Estonian nation were in fact built on sand. The cultural memory was just too powerful for the undesirable to be simply deleted, leaving only the desirable. On the other hand, a sudden change in culture, as a pattern for living, is dangerous for the national identity, since *cairos*, so necessary for the permanence of the ethnos, could be lost, together with the ability to recognize the right moment in the (now global) merry-go-round reality.

National identity is not created by contemplating one's navel. Identity is a sum of mirrored images, formed by comparison to close and distant neighbours, feeling oneself as a subject in big historical events (not only wars but also urbanisation, industrialisation, internetisation, etc.). A feeling of identity may be clear or vague, active or passive. Many small nations have disappeared from history not because they lost their identity, but because the identity did not become a combat tool for defending the permanence of the ethnos. Identity develops slowly (continuity), but for self-survival the ethnos must be able to also control the identity in the midst of rapid social events (discreteness). The influence of identity depends greatly on how even is its distribution among the whole ethnos (homogeneity).

Just as in a good old fairytale, the 20th century has given the Estonian cause three opportunities to realize its identity, and each time the scope has been more extensive than for the previous ones. The first time we had to determine who we were in relation to (Baltic) Germans and red Russians, the second time, it was in the context of the struggle between fascism and communism. The third time occurred in the 1990s when Estonia was suddenly adrift on an open global sea and had to search for its own island.

At that first time, Estonians were still a relatively homogenous peasant nation and the settlement of the land question, whereby every man got his own plot of land, united the society. There was a clear-cut identity where having one's own state was supreme. The next time it was more difficult, since the era required an answer to the question: With Germans or with Russians? Later, there was no choice anyway. The Estonian cause broke up into many sub-forms: home-Estonians and exiled-Estonians, communist Estonians and dissident Estonians, legal and underground Estonianness. It was only at the end of the 1980s that the various sub-currents merged into a whole, which was able to answer history's challenge. During the first period of independence, people knew that the Estonian cause essentially meant being a peasant nation, with some intellectual aspirations as well. The second time, we saw ourselves as a democratic European nation who wished to act independently from the Kremlin bosses, a nation who had the strength and the right to make its own decision regarding its economy and intel-

lectual life. In the 'Baltic chain' we again felt that we were equal Estonians.

Now the second time is turning into the third time, and we have to answer the question whether we, as a small nation, are actually able to survive in the developments of the modern world. As a representative of the oldest generation, Aino Järvesoo has described, with pathos, this time of choice as the final struggle in the name of survival of Estonians and the Estonian cause (Postimees, July 16, 2001). But, speaking about national unity, are we able to give a unanimous answer to this question?

Stratification of identity

The last ten years in the lives of Estonians (and non-ethnic Esotnians as well) have clearly divided the nation into winners and losers: those whose yearly income is measured in millions and those who have lost hope of ever getting out of unemployment or poverty. National feeling cannot have the same dimension for winners and losers. For rich Mogri Märt, nationalism is an unbelievably good business project, and in acting for the Estonian cause and for Estonia he never forgets himself and his bank account, and doesn't care what happens after him. From the viewpoint of poor villager Aunt Maali, the Estonian nation is something eternal which cannot be bought, sold or exchanged, but one can worry about it, even show some euroscepticism. So, due to rapid social stratification, the existence of the very rich and the very poor, and the relegation of a large part of the population into risk groups, a multiplicity of identities has developed.

This is not a clear-cut situation, as in: two Estonias — two identities. Identity, as with the entire cultural space, is being segmented by generational discreteness, and this is occurring even more intensely than in previous times. The elderly are disappointed in the Estonian cause because they imagined their Estonia to be different. The younger generations have not fulfilled their dream of returning to childhood, to the patriarchal idyll of President Päts' era. The middle-aged who were born and raised during the socialist period have differing views of the nation. For some, the Estonian cause has been very advantageous in the race for a slice of the 'state pie'. For others, it has been a necessary tool for the accumulation of the so-called national capital. The third group, the most idealistic ones, worry about the preservation and development of the Estonian language as the core of identity (poor Estonian skills of Russian-speakers, americanization of the mother tongue, etc.). The very young consider nationalism a phenomenon belonging to the world of their grandparents or to the way their grey-haired teachers talk — i.e. a socially inert form. The generation of new Estonians has never had to worry about the Estonian cause, not to mention fighting for it. For them, identity starts with the question of whether it is possible to get a good education or a well-paying job in Estonia. The narrow doors of elite schools, the scarcity of state funded places at university, the unclear prospects on the labour market — all these worries are weightier than the issues of national idealism.

So, together with Estonia's launch into the pluralism of ideals in the post-modernist era — into individual-centeredness, excess of information, ambiguity of religion and morals — the one-dimensional, good old 'Estonian era' national identity just cannot survive any longer. Yet another turn of history, together with continuous and discrete dialectic matching, is here once again, and the choice this time, for Estonians as a small nation, is between the European Union and 'the grey zone'. The concept of nationalism needs to change so that we can profit from the moment *(cairos)*, on which depend the conditions for survival of the ethnos. Continuation of the two Estonias — one lavishly spending, and the other languishing — will have a dangerous effect on unity. Mogri Märt, his coat open to the global winds and his wallet the object of his devotion, is at one extreme, while Aunt Maali with her peasant common sense, being moderate in everything, is at the other. They constitute the extremes on the scale of the new identity, and between them on the scale there are a number of various other searches for identity. It is not important that the different social groups (young, elderly, millionaires, poor) end up with the same identity, but that there is a renewed national consensus.

Human development indicators

Gender-related development

Life expectancy at birth (years)		Combined primary, secondary and tertiary gross enrolment ratio (%)		Seats in parliament held by women (as % of total)	Female administrators and managers (as % of total)	Female professionals and technical workers (as % of total)
Female	Male	Female	Male			
2000	2000	2000	2000	2000	2000	2000
76.0	65.1	107	97	17.8	34.0	67.7

Human poverty

People not expected to survive to age 60 (%)	Long-term unemployment (as % of labour force)	Share of income			Population below 50% of median income (%)
		Poorest 20% (%)	Richest 20% (%)	Richest 20% to poorest 20%	
2000	2000	2000	2000	2000	2000
23.1	6.1	8.6	41.5	4.8	13.7

Trends in economic growth

GDP per capita (1995 US$)					
1999	Lowest value during 1993–1999		Highest value during 1993–1999		Average annual rate of change, 1993–1999 (%)
		Year		Year	
2,312	1988	1993	2,420	1998	2.8

Progress in survival

Life expectancy at birth (years)		Infant mortality rate (per 1,000 live births)		Under-five mortality rate (per 1,000 live births)		People not expected to survive to age 60 (%)	Maternal mortality ratio reported (per 100,000 live births)
1970	2000	1970	2000	1970	2000	2000	2000
70.1	70.7	21	8.4	26	2.2	23.1	38.2

Health profile

Infants with low birth-weight (%)	One-years-olds fully immunized		Tuberculosis cases (per 100,000 people)	People living with HIV/AIDS		Cigarette consumption, annual average (per household member)	Doctors (per 100,000 people)	Nurses (per 100,000 people)
	Against tuberculosis (%)	Against measles (%)		Total number	Per 100,000 people			
2000	2000	2000	2000	2000	2000	2000	2000	2000
4.3	99.7	79.4	46.9	391	28.5	818	323	739

Education profile

Age group enrolment ratios (adjusted)		Children reaching grade 5 (%)	Tertiary students in science (as % of total tertiary	Public education expenditure			
Primary age group (% of relevant age group)	Secondary age group (% of relevant age group)			As % of GNP	As % of total government expenditure	Pre-primary, primary and secondary (as % of all levels)	Tertiary (as % of all levels)
2000	2000	2000	2000	1999	1999	1999	1999
100	97.6	99.2	34.6	7.5	18.0	82.8	17.2

Access to information flows

International tourism departures (thousands)	Main telephone lines (per 1,000 people)		Public telephones (per 1,000 people)		Cellular mobile subscribers (per 1,000 people)		Televisions (per 1,000 people)		Internet hosts (per 1,000 people)
2000	1990	2000	1990	2000	1990	2000	1990	2000	2001
359	231	363	1.93	1.81	0	387	344	377	28.7

Economic performance

GNP (USD billions)	GNP annual growth rate (%)	GNP per capita (USD)	GNP per capita annual growth rate (%)	Average annual rate of inflation (consumer price index, %)	
1999	1993–1999	1999	1993–1999	1993–2000	2000
5.1	1.8	3,530	2.8	26.7	4.0

Macroeconomic structure

GDP (USD billions)	Agriculture (as % of GDP)	Industry (as % of GDP)	Services (as % of GDP)	Consumption		Gross domestic investment (as % of GDP)	Gross domestic savings (as % of GDP)	Central government		Overall budget surplus/ deficit (as % of GDP)
				Private (as % of GDP)	Government (as % of GDP)			Tax revenue (as % of GDP)	Expendi- ture (as % of GDP)	
1999	1999	1999	1999	1999	1999	1999	1999	1999	1999	1999
5.2	6.6	27.2	66.2	58.2	23.4	24.5	18.4	28.2	35.1	–4.6

Resource flows

Exports of goods and services (as % of GDP)	Imports of goods and services (as % of GDP)	Net foreign direct investment flows (USD millions)	Net portfolio investment flows (USD millions)	Sovereign long-term debt rating
1999	1999	1999	1999	1999
77.3	82.1	206.2	10.0	A-

Resource use

Public expenditure on education (as % of GNP)	Public expenditure on health (as % of GDP)	Military expenditure (as % of GDP)	Trade in conventional weapons			
			Imports		Exports	
			USD millions	Index (1995 = 100)	USD millions	Share (%)
1999	1999	1999	2000	2000	2000	2000
7.5	6.0	1.4	2.5	357	0.0	0.0

Aid and debt

Official development assistance (ODA) received (net disbursements)			External debt	
Total (USD millions)	As % of GNP	Per capita (USD)	Total (USD millions)	As % of GNP
1999	1999	1999	1999	1999
77.3	1.5	53.6	2,879.2	59.9

Demographic trends

Total population (millions)			Annual population growth rate (%)		Urban population (as % of total)			Dependency ratio (%)		Population aged 65 and above (%)		Total fertility rate	
1975	2000	2015	1975–2000	2000–2015	1975	2000	2015	2000	2015	2000	2015	1970	1995
1.4	1.4	1.3	-0.2	-0.4	67.4	67.4	70.2	49.4	47.7	15.1	16.8	2.0	1.39

Energy use

Electricity consumption				Commercial energy use (oil equivalent)					Net energy imports (as % of commercial energy use)	
Total (millions of kilowatt-hours)	Index (1980=100)	Per capita (kilowatt-hours)		Total (1,000 metric tons)		Per capita (kilograms)		GDP output per kilogram (USD)		
2000	2000	1980	2000	1980	2000	1980	2000	1999	1980	2000
6,351	39	10,969	4,632	9,707	4,517	6,571	3,299	1.1	25	32

Environmental profile

Annual fresh water withdrawals		Average annual rate of deforestation (%)	Carbon dioxide emissions		Sulphur dioxide emissions per capita (kilograms)
As % of water resources	Per capita (cubic metres)		Total (millions of metric tons)	Per capita (metric tons)	
2000	2000	1999	1999	1999	1999
1.9	177	-0.8	16.8	11.6	71

Managing the environment

Hazardous waste generated (1,000 metric tons)	Municipal waste generated (kilograms per person)	Population served		Waste recycling (as % of apparent consumption)	
		By municipal waste services (%)	By public sanitation services (%)	Paper and cardboard	Glass
2000	2000	1999	1998	1998	2000
5.966	378	69	70	2	..

Job security

Un-employed people (thou-sands)	Unemployment rate		Incidence of long-term unemployment (as % of total unemployment)		Part-time employment (as % of total employment)		Involuntary part-time employment (as % of total part-time employment)		Public expenditure on un-employment compensation (as % of GDP)
	Total (% of labour force)	Index (1994=100)	Female	Male	Female	Male	Female	Male	
2000	2000	2000	2000	2000	2000	2000	2000	2000	1999
96	13.7	181	41.3	46.7	12.7	5.9	15.1	23.6	0.16

Crime

People incarcerated (per 100,000)	Juvenile convictions (as % of total convictions)	Total recorded crimes (per 100,000 people)	Total recorded drug offences (per 100,000 people)	Recorded rapes (per 100,000 women aged 15 and above)	Recorded homicides		
					In country (per 100,000 people)	In largest city (per 100,000 people)	Largest city
2000	2000	2000	2000	2000	2000	2000	2000
350.9	15.8	4221	115.5	11.8	13.8	12.0	Tallinn

Personal distress

Injuries and deaths from road accidents (per 100,000 people)	Suicides (per 100,000 people)		Divorces (as % of marriages)	Births to mothers under 20 (%)
	Male	Female		
2000	2000	2000	2000	2000
142	46.1	11.9	77.1	10.0

Gender and education

Female primary age group enrolment (adjusted)			Female secondary age group enrolment (adjusted)			Female tertiary students			Female tertiary science enrolment (as % of female tertiary students
Ratio (% of primary school age girls	Index (1985 = 100)	As % of male ratio	Ratio (% of secondary school age girls)	Index (1985 = 100)	As % of male ratio	Per 100,000 women	Index (1985 = 100)	As % of males	
2000	2000	2000	2000	2000	2000	2000	2000	2000	2000
100	101	100	99	..	102	4,709	196	129	27

Gender and economic activity

Female economic activity rate (age 15 and above)			Unemployment rate (%)				Female unpaid family workers (as % of total)
Rate (%)	Index (1989=100)	As % of male rate	Total (age 15-64)		Youth (age 15-24)		
			Female	Male	Female	Male	
2000	2000	2000	2000	2000	2000	2000	2000
52.5	84	77	12.9	14.9	23.7	24.0	59