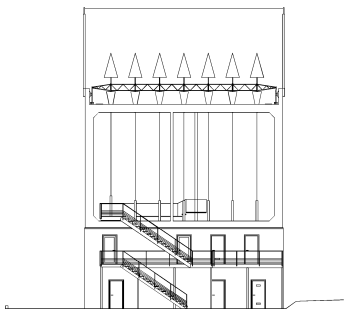
ESTONIAN HUMAN DEVELOPMENT REPORT



2000

ISSN 1406-5401

Foreword

In the European Union context, sustainability of development and its orientation to the individual are important considerations. These imperatives also inspired the earlier Estonian Human Development Reports, the first of which was compiled with the support of the United Nations Development Program in 1995, and the latest of which this year is being published with contribution also from the Government of Estonia. From the European Union perspective, the subject matter of this Report relates primarily to the work of our Government. Yet it has wider significance as it will help broaden the European Union dimension in society as a whole. While it remains true to its methodological approach, the Report also focuses on areas of human development that are vitally important for the upcoming integration of Estonia with the European Union. Although these areas are essentially linked to State authority, culture, and some sectors of the economy, they retain a strong human dimension.

The thorough reform of public administration has become an urgent necessity due to the internal realities of Estonia. The European Union is providing us with a program to achieve the goals we have set for our legal system and administrative capacity. The concept of 21st century public administration as a goal-oriented, transparent, citizen-centred, efficient, effective and IT-using service has become a realistic program of action, and the advantages of a small country have already been seen. As the bureaucracy has yet to be solidly established in Estonia it is receptive to change, and the nation-wide introduction of new applications is much simpler. Most importantly, public administration should promote government policy which is responsive to social needs, and acts as a medium for government's daily relationship with society. Depending on the quality of this service, the inherent antagonism between the state and the citizen may deepen or, conversely, a participatory democracy may arise.

In the context of globalisation and EU enlargement, the labour market and education merit particular attention. As a follow-up to current structural changes in the labour market, in the coming years the priority will be the harmonised activity of the state, employers and employees to manage developments on the labour market and boost its quality. Neither continuous nor further adult education, nor the vocational education system as a whole can as yet adequately respond to the changes underway in society.

The independence of Estonia in the past decade has not evolved in isolation but in conditions of openness. Several international organisations including the UNDP have been involved in this open dialogue. The small but firm representation of this global organisation has succeeded in launching a large number of sustainable programs, due to strict focus on specific policies and catalytic action which has inspired further events. Many of these programs have become state priorities. The greatest rewards to the catalysts of these programs is their viability and the fact that they are being completed using Estonia's own capacity, as is sharing this experience with other countries of the world. Estonia has much to highlight and share, including both what we have already accomplished and what we have yet to achieve.

Mart Laar
Prime Minister of the Republic
of Estonia

Tallinn, November 14, 2000

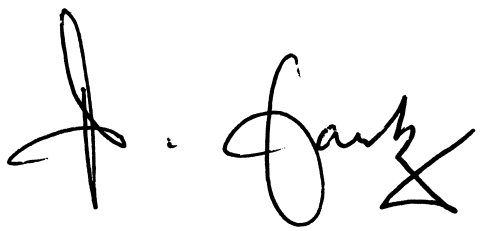
Preface

This is the sixth Estonian Human Development Report sponsored and published by the United Nations Development Programme (UNDP). This year's report has also received financial sponsorship from the Estonian Government. The contents are as usual uniquely national. The report has been compiled by a group of independent Estonian researchers and academics under the editorial leadership of Mr. Raivo Vetik. UNDP is indebted to all those that have contributed to the authorship and production.

This year's report is focused on Estonia within the European context. It is certainly a relevant theme for a country that is targeting EU accession at the earliest possible date. It is also relevant to UNDP. The development progress in Estonia has been nothing short of remarkable since the country regained its independence in 1991. It is for this reason that the Estonian Government and UNDP have agreed to close the UNDP mission in Estonia at the end of this year. While it is not an altogether joyous task to close an operation that has covered so many interesting areas and been as productive as UNDP in Estonia, my colleagues and I still believe that it is a cause for celebration. It is an indication of the success of the Estonian transition.

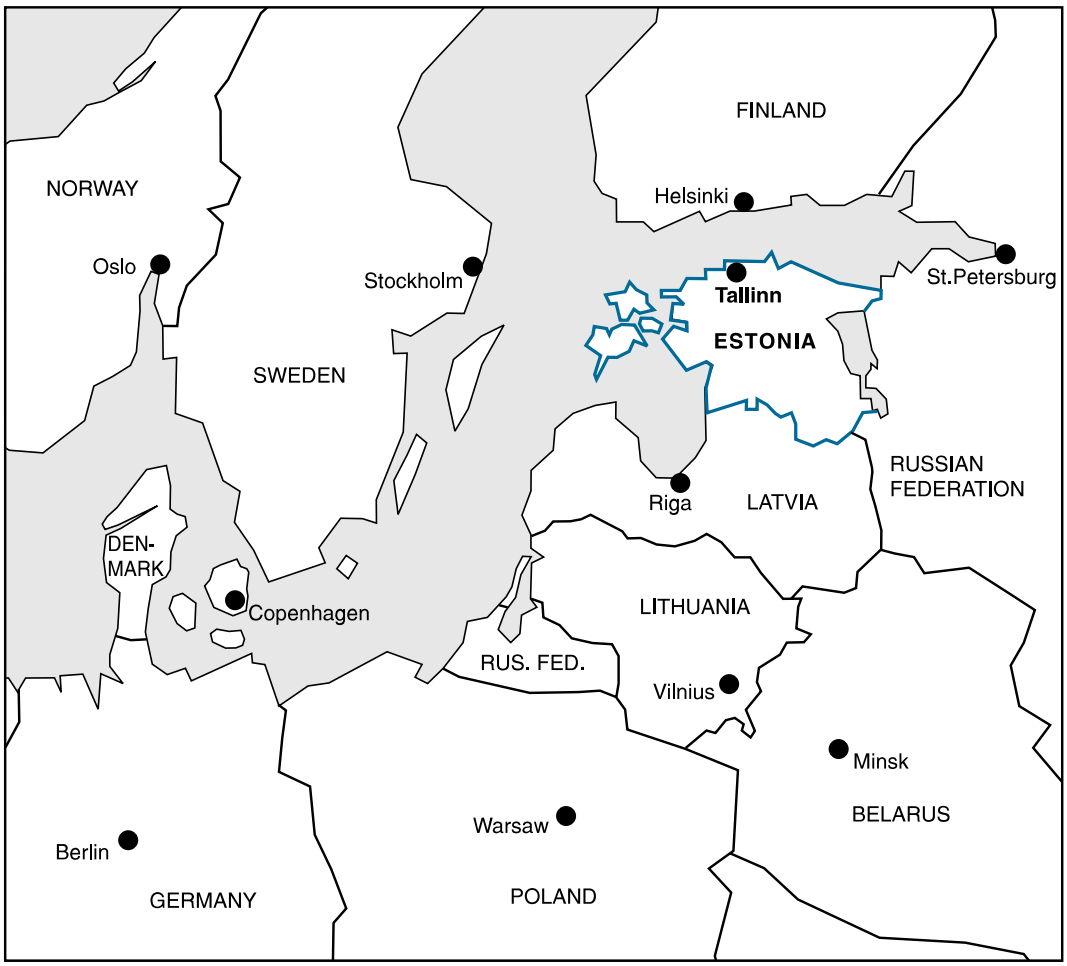
This being said, development challenges naturally remain in Estonia like they do in any nation with a conscience. While the uniquely successful transition has led to macroeconomic stability and created very favorable conditions for continued development and growth, some social areas continue to be of concern. They include the challenge to improve the safety-nets for those largely excluded from the development benefits, the issue of gender equality, the levels of crime and drug abuse, and how to cope with the recent sharp increase in the number of HIV-infected. Since Estonia has proven its ability to turn challenges into advantages in various fields such as market reform and ground-breaking use of ICT for development, UNDP does not doubt that its rich human capital will find innovative ways to meet the social challenges as well.

We hope and already have good indications that some of the activities sponsored by UNDP in Estonia, for instance the Estonian Human Development Report, will be sustained. We count on our partners in both governmental and non-governmental institutions to continue to keep watch on the social dimensions of development.



Petra Lantz-de Bernardis
UNDP Resident Representative

Tallinn, November 24, 2000



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 408,329, 01.01.2000).

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:
1,370,500 (by preliminary Census data, on 31 March 2000).

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.

Member of United Nations:
September 17, 1991.

Member of the Council of Europe:
May, 1993.

Estonian Human Development Report 2000

Authors

Aili Aarelaid-Tart
(Section 2.4)

Airi-Alina Allaste
(Section 2.2)

Eiki Berg
(Section 1.5)

Leeni Hansson
(Section 2.1)

Jelena Helemäe
(Section 3.3)

Heigo Kadakmaa
(Section 1.3)

Marika Kirch
(Section 1.4)

Evald Mikkel
(Section 1.2)

Kaia Philips
(Section 3.1)

Kati Hammer-Pratka
(Section 2.2)

Kristi Raik
(Section 1.1)

Ellu Saar
(Section 3.3)

Jüri Saar
(Section 2.3)

Georg Sootla
(Section 1.3)

Indrek Tart
(Section 2.5, Human Development Index)

Raivo Vetik
(Introduction)

Rein Vöörmann
(Section 3.2)

English translation

Ants Pihlak
Peeter Ristsoo
Jüri Estam

English copy editor

Siiri Aulik

Layout and typesetting

Aleksandr Mosseikov

Repro

Printit

Printing

Iloprint

Report project team

Raivo Vetik — Editor-in-Chief
Georg Poslawski
Indrek Tart
Robert Juhkam

The Estonian Human Development Report 1995, 1996, 1997, 1998, 1999 and 2000 are also available electronically through the Internet World Wide Web which may be accessed at
http://www.undp.ee/nhdr.html

Contents

Estonian Human Development and the European Union Perspective

The potential accession of Estonia to the European Union presents a serious challenge not only to the governmental and economic structures of the State of Estonia, but also to the capacity of society to adjust and develop. Based on this premise, the main theme of this Report is the comparison of Estonia and other European countries with regard to the main aspects of human development. Although in the broad sense Estonia has joined the group of high human-development countries, based on a number of indicators it lags far behind advanced European countries (Human Development Report, 2000). How is Estonia affected by the pending accession to the European Union? What are the human development-related barriers to successful Euro-integration?

Social problems related to the European Union have also been analysed in previous Reports (Estonian Human Development Report, 1998, 1999). This volume, however, provides a systematic overview with each subsection governed by a common logic and the goal of collecting comparative information. In view of the accession mechanism, we have paid somewhat more attention to the political aspects of human development, e.g. development of democracy and administrative capacity. Traditional human development topics like social issues, linkages between education and the labour market etc., which are of vital significance in the European Union perspective have also been analysed. We believe that the information contained in this Report will be of interest not only to scholars and policymakers, but also to the wider public, and will thus contribute to a more informed public discussion on European Union issues.

Possible membership in the European Union is no less important a choice than was the restoration of independence a decade ago. However, the societal support for these two events differs to a significant degree. Aspirations for EU membership are not driven by a natural craving for independence which emotionally involves the entire population but rather by geopolitical and economic interests imposed by the élite from above. Accession implies the partial surrender of Estonian sovereignty to achieve certain other goals, however these are not sufficiently understood or convincing for society as a whole. Among other reasons, this is because Estonia lacks an adequate research program to disseminate information on the social aspects of accession. To date, the Estonian "Euro-project" has been more ideological and technocratic than analytical and human-centred.

A comparison of objective indicators of human development in Estonia and other European states offers valuable factual information which helps to understand the social processes related to accession. No less important, however, is making sense of the process underway from the perspective of identity building. For this reason, the Euro-project has to be addressed in the semiotic context of the "us" construct, i.e. focusing on normative and cognitive codes of identification and differentiation. Signs are used to focus and highlight but also to conceal and *omit*. How do the mechanisms for clarification and omission operate in the official Euro-project, and what is their message from the point of view of Estonia's identity?

Emphasis within the Euro-project

In the most general sense the Euro-project signals Estonia's incorporation in the global development context. Although the nation-state has during the past two centuries served as the pivotal institution of social life, the rapidly globalising economy, increasing flow of information and politics and cultural consumption have effectively undermined its role (Smith, 1996). In this context, unions of states and regional groupings become increasingly significant as global centres of power. From the point of view of Europe as a whole, enlargement will help maximise the new opportunities accompanying globalisation and minimise the risks involved. There is also no reason to believe

that the protection of Estonian national interests, for example in engagement with multinational corporations, would be less successful within the EU framework than it would be if Estonia were acting on its own (Palk, 1999).

The Euro-project emphasises the need to provide security for the State of Estonia and its economic growth. These increase stability and investment, and ultimately the welfare of the people. The accession also has a strong historic and symbolic meaning: it is the return to Europe, from which we had been illegally and wrongfully severed (Lauristin & Vihalemm, 1997). Thus, the Euro-discourse focuses on catching up, adaptation, harmonisation and similar concepts which share the common denominator of relating to an external environment which is intrinsically familiar yet far more developed. The *inwardly* directed questions focusing on one's uniqueness and the dialogic nature of the enlargement are unavoidably pushed aside within this semiotic background system. However, clearer treatment of these questions is of crucial importance if the Euro-project is to make its mark in society.

To what degree do the interests of Estonia and the EU coincide or diverge? The first problem which requires a more analytical approach is related to the so-called "Russian issue". The Estonian Euro-project is primarily a strategy for escaping from its unattractive geopolitical position, although Brussels operates on a significantly more complicated security landscape (Schöpflin, 2000). Disagreements may arise due to Estonia's minorities policy, for which Estonia has already been criticised (Agenda 2000). Seen from the point of view of the EU, the core of the "Russian issue" is global stability, access to raw materials and the expansion of markets, directly linked with the main problems of globalisation. Should there arise a pragmatic need to make concessions to Russia, what options, if any, would Estonia have to protect its interests?

The next potential point of divergence stems from the principle of free movement of labour. In the EU, this is a problem which causes considerable antagonism and hostility towards enlargement. "The EU does not desire the goods (of newcomers), and even less so their labour" (Lavigne, 1998). Such a position is not novel. When Portugal and Greece acceded a few decades ago, the issue of labour was a point of contention in negotiations. Those fears proved unfounded since the EU is a Union of nation-states where the cultural factor imposes effective restrictions on mobility. For instance, in the USA 17% of the labour force moves every year in search of a job, while in the European Union where the unemployment rate is significantly higher this figure is just 1.7% (Neckermann, 1998). Perceived from the Estonian point of view, however, it would be justified to question what the implementation of the principle of free movement of labour amounts to, given the local human resources and the development of the labour market. Experts see the danger of qualified labour fleeing the country in a different light. (cf. "Linkages between the Education Systema and Labour Market: Estonia against the Backdrop of EU Countries" in this Report). However the fact remains that issues related to the Estonian labour market call for in-depth analysis in the context of EU accession.

Divergence of interests is not only a pragmatic, but also an existential question – to exist means to differ. Through which normative and perceptual codes does the Euro-project construct the difference of 'us'?

A glance into recent history is beneficial as a backdrop for comparison. Until the era of national awakening at the middle of the 19th century, the Estonians were a peasant people with 'us' and 'them' differentiated by *class hierarchy*. Since 'us' was pegged on a lower rung of the social ladder, it created a negative identity, which resulted in many Estonians becoming "Germanised Estonians" (cf. Loorits, 2000). In the period of Soviet social egalitarianism the function of differentiating 'us' was fulfilled by *Estonian culture* – school traditions, literature, music, etc. Despite the efforts at Russification undertaken by the authorities, this was generally successful since 'us' was considered higher than 'them' on the cultural scale.

Thus, emphasising or negating the uniqueness of 'us', and opposing oneself to or simulating 'them' are two possible strategies of adjustment to the exterior environment (Smith, 1993). The response depends both on the nature of the external pressure and the inherent translation mechanism. Due to the fact that in the western semiotic environment Estonia will be regarded, for the time being at least, as the 'backward post-Communist East', the pressure to adopt the strategy of simulation is immense. For example, simulation dominates more and more clearly in the consumption of culture (cf. "Estonia on the Eurovision Landscape" in this Report). Particularly devastating is the new semiotic situation in folk culture which is facing the Americanisation of traditions (cf. "Estonian Folk Culture Entering the EU Cultural Landscape" in this Report) . What is

the effect of the new semiotic environment on the movement of Estonia towards Europe? To what extent are the instincts driving the Euro-project reminiscent of Germanised Estonianism or Americanisation?

The dark side of the Euro-project

Internal strife in democratic societies is managed by just procedural rules and channelling conflict outside of the system. In the EU, there are major problems with both mechanisms, creating a dangerous threat for conflicts to accumulate. The basic motive for the Euro-movement after WWII was the management and control of the Franco-German conflict. The success of the movement was very much due to consolidation against a common external enemy, but this has all faded into the past. As a result, an impulsive need for new 'internal enemies' has surfaced, revealed by the shocking success of right-wing extremists in recent elections. A wave of violence against immigrants has washed across almost all EU countries and "immigration, which used to be the simplest and cheapest solution to a relatively local problem, i.e. unemployment, is becoming a major social issue" (Melotti, 1997).

No less worrying is the degeneration of democratic procedures in the EU power mechanism. With an increasing number of functions being transferred to Brussels and democracy functioning on the level of member states, the gap between power and responsibility has grown enormously. Drawing parallels between the power corridors of Brussels and Moscow no longer seems very far-fetched or grotesque (cf. "Democracy and Integration into the European Union " in this Report). In connection with EU enlargement the contradiction between efficiency and representation will rise ever more dramatically. The size and composition of the European Commission, the system of majority voting in the EU Council and the power balance of the Council are the issues which are being discussed at this very moment (Verheugen, 2000). In view of considerations of efficiency the institutional reform of the EU should decisively increase the power of big states and terminate the consensus policy, or else the machinery of the expanding EU will simply stall. However, this runs counter to the interests of smaller countries whose natural instincts emphasise the principle of representation (Laar, 2000).

An analysis of former enlargements of the EU shows that enlargement has been accompanied by a deepening of the cooperation mechanisms (Preston, 1997). As the current enlargement is far more extensive than earlier waves, a clear enhancement of democratic procedures in the EU is required (Streimann, 2000). Yet enlargement would be seriously slowed if more heed were paid to public opinion (Ojuland, 2000). This is a dilemma with no good solution on the horizon. In the longer term, narrow technocratic solutions will be ephemeral if the human dimension is ignored. Real contradictions are not eliminated by verbal manipulation or mere facades. In addition, the employment of new (political) technologies is also a cultural problem which is restricted by the capacity of the population for adaptation (Lotman, 1988). Large-scale enlargement of the EU is a psychological turning point which will boost existential fears, which must then be neutralised. If this fact is ignored, the explosive potential for conflict will accumulate within the system. The present candidate countries will become the most obvious potential targets since their position in the semiotic frame of reference of the new EU - rich/poor, large/small, old/new – has a strongly negative connotation.

In the case of Estonia, there will also be difficulties in harmonising the necessities of internal development and the externally imposed restrictions. The issue boils down to different stages of historical development and the resulting incompatibility of thought patterns. The European Union incorporates modern societies on a very high level, while Estonia is stuck in a stage of nation building and follow-up modernisation whose logic of development, goals and driving forces are quite different. The EU demands unification and adherence to rules but Estonia's internal need for development calls for Romanticist spontaneity. Uncritical observance of external restrictions would bring about a situation where the internal mechanisms necessary for development of the society would stagnate. Should a host of new laws (*acquis* occupying 80,000 pp. of text), often unrelated to the actual needs of Estonia , be adopted in the compressed time period of a few years, they would inhibit natural development. They would encourage the 'carrot as fruit' syndrome, which was also implied by the design of the Estonian pavilion at EXPO 2000. *The Restriction of Working Time Act*, inspired by EU rules, is a telling example. In a stage of development where work is the most important thing con-

ceivable, it is hard to imagine a rasher negation of one's own interests.

On the spiritual plane, the described controversy manifests itself in the dialectics of heroism and boredom. Estonian high governmental officials dream of a western-style boring state (Ilves, 2000), ignoring the fact that many feats of endurance are yet to be accomplished. Many areas of business are already boring (banking), however the period of heroism is still underway in core areas. Nation building calls for an 'us'-feeling and efforts which have nothing to do with a boring state. "Heroism is a word which does not appeal to the West right now" (Oras, 1988). However, Estonia does not need the Nietzsche-style negation of 'the downtrodden European', which in essence belongs to the next stage of development, but the everyday difficult task of reconstruction.

National interests

Large-scale social projects always have winners and losers. In earlier enlargements of the EU, the wealthy strata of society were on the winning side (Barnard, 2000). Estonia is hardly to be an exception in this regard. This accounts partly for the difference in support for accession among the élite and the masses. As noted by one keen observer, the Estonian élite has assumed the function of an "EU subcontractor" (Ruutsoo, 2000), which enables it to market itself at a higher price. The masses have little to do in the Euro-market and therefore lack enthusiasm. One wonders about the result of an opinion poll which revealed that 40% of respondents consider the application of EU standards tantamount to the élite pursuing its own private interests (cf. "Social Issues Related to the Harmonisation of Estonian Legislation with EU law"). The second reason for "Euro-lukewarmth" is the lack of a feeling of unity. For the average person, Europe is more of an abstraction, which is hard to assimilate even under the influence of promotional myths of progress. The masses are not easily thrilled by the new opportunities, and the vast Euro-space lacks emotional anchors and is therefore perceived as oppressive. The Euro-project engages governmental and economic institutions and procedures, but not the emotions and consciousness of the people.

What should we do? Consciousness is the exchange of messages, starting with signals between the lobes of the brain and ending with contacts between cultures (cf. Lotman, 1982). Evidently, European consciousness can also only arise on the basis of an exchange of messages. Europe is not a thing in itself or a substance, but a construction to be created in the dialogue between countries, nations and individuals (cf. Kivimäe 1998). Although the logic of economic efficiency imposes a "unidirectional dictate to be unequivocally accepted by candidate countries" (Ellman, 1997), the human-oriented logic of Euro-enlargement presupposes mutual dialogue – lest we lose "Europe" from the "EU". (cf. Vähämäki, 1991). At the same time, it must be considered that the various levels in Estonian society have differing relations with Europe. This is why there is also an issue regarding the depth of the dialogue and its multi-layered nature, being able to balance the partial and the complete dimension, and a particularly Estonian dual identity issue - the desire to become a European but still remain an Estonian (Torop, 2000).

Consequently, from the point of view of the national interests of Estonia, the Euro-project should use catchwords such as a positive us-identity, development of inner spontaneity and dialogue. For a small country, success in the Euro-project requires not only the emphasis of one's own interests, but also finding a niche for them in the fabric of wider and more powerful interests. This, in its turn, calls for more serious analytical effort and above all an open dialogue on EU related issues. The promotion of these, proceeding from the human development perspective, is the very objective of this Report.

References

1. Agenda 2000. Commission Opinion on Estonia's Application for Membership of the European Union. Brussel: European Commission, 15 July 1997.
2. Barnard, B. Euro Enlargement, in Europe, vol. 3, 1999.
3. Estonian Human Development Report 1998.
4. Estonian Human Development Report 1999.
5. Ellman, M. EU accession should be a partnership, not a dictate, in Transition, vol 8, No. 4, 1997.
6. Human Development Report 2000, Oxford University Press 2000.
7. Ilves, T.H. Eesti tee- pigem Põhjala kui USA mudel, Eesti Päevaleht, 16.10.2000.

8. Interview with European Commissioner for Enlargement Günter Verheugen, in Europe, vol. 19, 2000
9. Kivimäe, M. Euroskeptitsismi ideeajaloost eesti kultuuris 20. sajandil, kogumikus Eesti Euroopa Liidu lävepakul, toim. Ruutsoo & Kirch, Teaduste Akadeemia Kirjastus 1998.
10. Laar, M. Selgemaks läheb, Eesti Päevaleht, 09.11.2000.
11. Lauristin, M. & Vihalemm, P. Return to the Western World, Tartu University Press 1997.
12. Lavigne, M. Conditions for accession to the EU, in Comparative Economic Studies, vol. 38, Fall 1998.
13. Loorits, O. Eesti kultuuri struktuurist, orientatsioonist ja ideoloogiast, kogumikus „Meie, eestlased", Ilmamaa 2000, koostaja Hando Runnel.
14. Lotman, J. Tehniline progress kui kultuurilooline probleem, Töid märgisüsteemide alalt, Nr. 22, 1988.
15. Lotman, J. Asümmeetria ja dialoog, Töid märgisüsteemide alalt, Nr. 16, 1983.
16. Melotti, U. International Migration in Europe: Social Projects and Political Cultures, in The Politics of Multiculturalism in the New Europe, Tariq Modood & Pnina Webner, eds., Zed Books Lmt. 1997.
17. Neckermann, P. Is the euro a good idea for Europe?, in World and I, vol. 13, No. 4, April, 1998.
18. Ojuland, K. Euroreferendum — sama, mis küsida maksutõusu kohta, Eesti Päevaleht, 27.09.2000
19. Oras, A. Eesti luule vaimsusest, Loomingu Raamatukogu 1988. 25/26.
20. Estonia and the EU, Estonian Human Development Report 1999.
21. Preston, C. Enlargement and Integration in the European Union, Routledge 1997.
22. Ruutsoo, R. Eliidi reeturlus või saatus, Eesti Päevaleht, 19.09.2000.
23. Schöpflin, G. The Futures of Central and Eastern Europe: Three Twentieth-century Perspectives, School of Slavonic and East European Studies 2000.
24. Smith, A. Ethnic Origins of Nations, Blackwell 1993.
25. Smith, A. Nations and Nationalism in a Global Era, Polity Press 1996.
26. Streimann, A. Accession negotiations — the remaining tasks, vt. http://www.riigikogu.ee/conf_eu_streimann.html
27. Torop, P. Correspondence with the author, 2000.
28. Vähämäki, J. Euroopa identiteet, Vikerkaan, Nr. 12, 1991.

Reflections on Estonia's human development index

The human development index (HDI) is considered attractive due to its relatively simple construction and three tangible components: wealth (GDP per capita), education (adult literacy rate plus enrolment ratio for all levels of education in ages 6-23) and length of life (life expectancy at birth). The HDI has effectively overcome the one-sidedness of comparisons based on GDP alone and, due to the standard method of calculation, allows each country to use data from previous years to forecast changes in the longer term, provided the underlying statistics are of good quality.

The HDI calculated based on data from 1998 (in the 2000 Human Development Report) places Estonia among countries of high human development, having surpassed the magic 0.8 threshold. Estonia thereby climbed from 54th place to 46th. This increase can mostly be attributed to the impressive success of the economy which is measured by purchasing power in weighted US dollars, based on World Bank data. Table 1 provides an overview of Estonia's leap. The two last indices combine into a unified partial index.

The change in the purchasing power of the Estonian kroon based on World Bank parity estimates is quite surprising. Estonia's GDP did not grow so drastically (46,6%) in this period, although growth according to data from the Estonian Statistical Office was 14% in current prices and 4.7% in fixed (1995) prices (UNDP data indicated as low as 4.3%). In any case, Estonia has been elevated to such a height that we must scrutinise our position critically, since it is possible that our actual position may be less impressive than indicated by the HDI, not to mention the need to maintain the country's position in the future.

In the last row of the Table, Estonia's performance for next year is forecast based on data from the World Bank and Estonian Statistical Office, and anticipating only a slight change in the educational field. Regardless of economic stagnation, Estonia will not drop out of the upper strata. There may be a change for

TABLE 1.

Structure of Estonia's HDI based on 1997 and 1998 data, and HDI forecast based on available 1999 data

	GDP per capita in PPP US dollars	Life expectancy at birth in years	Adult literacy rate %	Total enrolment ratio ages 6-23 (%)
1997	5,240	68.7	99.0	81.0
Value of sub-index	0.66	0.73	0.93	
HDI 1999				**0.773**
1998	7,682	69.0	99.0	86.0
Value of sub-index	0.72	0.73	0.95	
HDI 2000				**0.801**
1999 (forecast)	7,728	70.7	99.0	88.0
Value of sub-index	0.726	0.762	0.953	
HDI 2001 (forecast)				**0.814**

TABLE 2.

Human development in a world context
Human development index in some countries of the world – UNDP 2000

Countries rated according to the human development index	**Life expectancy at birth** (years), **1997**	**Adult literacy rate** (%), **1997**	**Real GDP per capita** (purchasing power, USD), **1997**	**Human develop-ment index 1997**	**Real GDP per capita rank minus HDI rank**
Countries with high human development	77.0	98.5	21,799	0.908	–
1. Canada	79.1	99.0	23,582	0.935	8
2. Norway	78.3	99.0	26,342	0.934	1
3. USA	76.8	99.0	29,605	0.929	-1
4. Australia	78.3	99.0	22,452	0.929	9
5. Iceland	79.1	99.0	25,110	0.927	1
6. Sweden	78.7	99.0	20,659	0.926	15
7. Belgium	77.3	99.0	23,223	0.925	4
8. Netherlands	78.0	99.0	22,176	0.925	6
9. Japan	80.0	99.0	23,257	0.924	1
10. United Kingdom	77.3	99.0	20,336	0.918	13
11. Finland	77.0	99.0	20,847	0.917	8
12. France	78.2	99.0	21,175	0.917	5
13. Switzerland	78.7	99.0	25,512	0.915	-9
14. Germany	77.3	99.0	22,169	0.911	1
15. Denmark	75.7	99.0	24,218	0.911	-8
……	…	…	…	…	…
29. Slovenia	74.6	99.6	14,293	0.861	4
……	…	…	…	…	…
34. Czech Republic	74.1	99.0	12,362	0.843	3
……	…	…	…	…	…
40. Slovakia	73.1	99.0	9,699	0.825	5
……	…	…	…	…	…
43. Hungary	71.1	99.3	10,232	0.817	-1
44. Poland	72.7	99.7	7,619	0.814	10
……	…	…	…	…	…
46. Estonia	**69.0**	**99.0**	**7,682**	**0.801**	**7**
Countries with average human development	66.9	76.9	3,458	0.673	–
……	…	…	…	…	…
52. Lithuania	70.2	99.5	6,436	0.789	8
……	…	…	…	…	…
62. Russian Fed.	66.7	99.5	6,460	0.771	-3
63. Latvia	68.7	99.9	5,728	0.771	6
……	…	…	…	…	…
Countries with low human development	50.9	48.8	994	0.421	–
174. Sierra Leone	37.9	31.0	458	0.252	0

Source: Human Development Report 2000.

the better if data from the recent census are used, which place per capita GDP above 8,100 purchasing power USD and will bring the corresponding sub-index to 0.734. At the same time, life expectancy at birth according to the Statistical Office's data is one year higher than the life expectancy used by the UNDP.

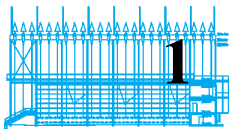
An HDI of 0.81–0.82 would keep us in the rear part of the group of countries with high HDI together with Poland, Hungary and Slovakia from the former Eastern Bloc and (oil) rich Arab countries (United Arab Emirates, Qatar, and Bahrain). But the Czechs and Slovenians would remain far ahead, not to mention the EU states.

In the last World Human Development Report, HDI for earlier years was calculated using the current method (cf. Table 3). The hyper-stability in evidence is caused, at least for Estonia, primarily by an artificially high exchange rate between the Soviet rouble and the dollar. At the same time there is a clear line between development (the Nordic countries) and stagnation (Baltics, Russia), to say nothing of statistical continuity. Based on 1998 indices, Estonia will be placed in the middle between the welfare states and its Eastern and Southern neighbours that are in economic turmoil and hardship.

TABLE 3.

HDI dynamics in 1975–1998 based on 2000 calculation methodology

	1975	1980	1985	1990	1998
Estonia	–	0.804	0.812	0.806	0.801
Latvia	–	0.785	0.797	0.797	0.771
Lithuania	–	–	–	0.809	0.789
Norway	0.853	0.872	0.883	0.895	0.934
Sweden	0.860	0.870	0.880	0.889	0.926
Finland	0.832	0.852	0.869	0.892	0.917
Denmark	0.859	0.867	0.876	0.883	0.911
Russia	–	0.804	0.814	0.812	0.771



1 Political Aspects of Human Development

1.1. Democracy and Integration into the European Union

In the European Union, the need to reinforce democracy in the applicant countries is one of the arguments used for justifying the eastern enlargement. This assumes that integration into the EU will automatically promote the consolidation of democracy in Central and Eastern Europe. However, if we examine the concepts of democracy and consolidation and take a look at what is taking place within the EU itself, especially in the new member states (Finland, Sweden and Austria), it becomes evident that the relationship between democracy and integration into the EU is much more complicated and, in some respects, even contradictory. One of the main aims of the following analysis is to bring forth the role that our own activities and choices — both of the state and of the citizens — play in the development of democracy. Integration into the EU sets certain conditions and offers opportunities which leave room for various directions of development.

The Consolidation of Democracy

In order to be able to analyse the effects of integration on the consolidation of democracy, we should start by considering the meaning of consolidation, a concept which is very widely but often ambiguously used by both social scientists and politicians. Theoreticians agree only that in the democratisation process, the transition phase, during which the main focus is placed on establishing democratic institutions, is followed by the consolidation of the new system, which is a long-time process encompassing the whole of society. Central and Eastern European countries have undoubtedly passed the transition phase, but analysts have differing views on consolidation. Hence, in the discussions over the content and duration of consolidation, it is necessary to distinguish between different interpretations, on the basis of which the process has been studied (see Schedler, l998).

According to a minimalist approach, consolidation means preventing a regression of the democratisation process. Democracy can thus be said to be consolidated when an authoritarian regression has become highly unlikely. Following this definition, one can indeed agree that joining the EU would help to consolidate democracy in post-socialist societies. Constant, intensive co-operation with democratic states and participation in common structures would assure the observance of basic democratic principles and hinder the rise of authoritarian tendencies. From this perspective, however, democracy is already consolidated in Estonia, and therefore these arguments for joining the EU do not have much weight.

Many political scientists do not however accept such a limited definition, and instead associate the consolidation of democracy with the development of civil society and political culture, and the consolidation of democratic values. Unlike the minimalist approach, they do not stress the prevention of negative developments, but rather the deepening of democracy and the improvement of the quality of the democratic system. Furthermore, in addition to the role of the state and central political institutions they emphasise the role of the citizens, their participation in the democratic process and their ability to influence political decisions. These aspects are also of course under constant discussion in stable democratic societies, as well as recently to an increasing extent on the

EU level, where it is considerably more complicated to find solutions to the democratic deficit than in a nation state.

Consolidation can thus be viewed as an endless process, the aim of which — perfect democracy — is an unachievable ideal, while the balancing of its inherent contradictions as is the very essence of democracy. Conflicts between participation and efficient decision-making, freedom and equality, and accepting conflicts and building consensus, belong to the daily life of democracy just as does constant discussion over the ideals and objectives that guide political processes. (See e.g. Benhabib, 1996.)

So how does integration into the EU affect the consolidation of democracy, if consolidation is defined as the deepening of democracy? There are two important tendencies that accompany integration: on the one hand the power of civil servants increases to the detriment of politicians, while on the other hand new opportunities open up to the civil society for participation in political processes and influence over decision-making. The contradiction between these two tendencies shows that it would be misleading to give a unitary assessment to the direct and indirect effects of the EU on democracy. We should instead draw attention to various factors and the possibilities to consciously shape their development.

The Power of Civil Servants in European Integration

The EU has often been criticised for excessive bureaucracy, lack of openness and transparency, and decision-making processes that are distant from ordinary citizens. Problems of this kind have been grouped together under the concept of the democratic deficit. Most decisions in the EU are in fact made at the administrative level, primarily in the numerous working groups (although formally decisions are usually taken by the Council, partly in conjunction with the Parliament). It is not easy for politicians to follow the activities or delve into the discussions taking place in all these groups, if for no other reason than a lack of time. At the same time, the civil servants do not sufficiently inform the politicians or the public, and there is a lack of dialogue with the general public, although this would be extremely important from the viewpoint of democratic legitimacy and responsiveness to the citizens.

Instead of discussing problematic questions in public, civil servants "hide" important topics in information overflow, so as to prevent wider discussions from further complicating the decision-making process. In this way the EU decision-making processes "depoliticise" controversial questions which, if raised in public, could actually stimulate democratic debate and increase the citizens' political awareness and interest in the EU. In addition, the complexity and ambiguity of the decision-making procedures and political accountability within the EU make it more difficult to follow and influence the activities of EU institutions (see Meyer, 1999; Lord, 1998).

At the member state level, deepening of integration has increased the importance of the government and administration over the national parliament since they are directly involved in the EU decision-making processes. At the same time, MPs do not have sufficient resources and sometimes also lack motivation to familiarise themselves thoroughly with EU political processes and formulate their own positions. The parliaments can determine the national interests and general guidelines that have to be followed by the representatives of the governments in the Council, but the working style of the Council often requires flexibility and readiness to make compromises and quickly amend one's point of view. It is not therefore practical to shackle ministers with strict prescriptions. In issues decided by a majority vote in the Council, standpoints fixed by the national parliament can simply be voted down, whereas through flexible negotiation the Council members might be able to achieve more advantageous compromises for their nation. Quite often, however, the drafts prepared by civil servants are just approved with no prior debate in the Council or the parliaments. Changes in power relations caused by EU membership can be observed particularly clearly in the new member states — Finland, Sweden and Austria. Estonia can definitely learn from their experiences in, for example, designing the role of the national parliament in EU related issues (see Falkner, 2000; Wiberg, 1997).

Similar developments can already be observed in Estonia. Civil servants are the main actors in the integration process on both sides, the EU and the applicant states. Eastern enlargement is dominated by a discourse that requires the applicant countries to work quickly and efficiently. By contrast, public debate and involvement of various political and social groups demands time and limited resources. Therefore, the classical conflict between democracy and efficiency has been solved to the detriment of the former, as in decision-making in the EU. Cooperation between the civil servants responsible for integration and the Riigikogu (Estonian parliament) has increased, but the role of the Riigikogu is limited by a lack of resources (primarily time and knowledge), as well as by attitudes held by both the civil servants and MPs. From the civil servants' point of view, participation of the parliament in preparing decisions complicates and slows down their work, while parliamentarians have difficulties in receiving sufficient and timely information and sifting essential issues out of the avalanche of eurodocuments. A comparison with member states' MPs illustrates the situation quite well: while they find it difficult to cope with following the drafting of *new* legislation, the applicant states have to take over not only all the new decisions

which are constantly being made, but also the extensive, previously adopted EU legislation. In addition to these difficulties, the passiveness and lack of interest of both politicians and the general public is reinforced by the widely held belief that joining the EU is an inevitability for Estonia, and that integration progresses according to its own logic and rules anyway.

At most, the democratic deficit can be partly compensated by effective decision-making. In other words, limited input, that is, participation of the citizens, is justified by the output, by decisions that are responsive to public expectations and are effectively implemented (Lord, 1998). Nevertheless, this does not solve the democratic deficit problem.

Having said all this, integration into the EU undoubtedly has one important positive effect on the Estonian administration, also from the viewpoint of democracy — the increasing competency of civil servants improves the preparation and implementation of all decisions. It is primarily up to the politicians to guarantee that improved administrative capacity is accompanied by an increase of political accountability and opportunities for citizens to influence decision-making.

European Integration and the Civil Society

One of the biggest problems with democracy in Estonia lies in the civil society — in its weakness and low level of participation in shaping the development of society (see Lagerspetz et al., 2000). Although supporting the civil society and increasing dialogue between the state and citizens' associations are not among the main priorities of integration, the EU has paid some attention to these issues. Recommendations and comments from the EU have definitely promoted the involvement of various organisations and groups in the integration process. Also, the strengthening of the role of the Riigikogu in preparation for EU membership has been supported by the expectations and models set by our European partners.

While the ability of the civil society to influence political processes is considered to be limited within the EU, the participation of certain organisations and interest groups in the process of drafting legislation has developed into a strong tradition in the member states. The Maastricht and Amsterdam Treaties have further strengthened the role of social partners on the EU level, by giving them an opportunity to actively participate in the decision-making process. Even before, the European Commission consulted with interest groups and outside experts when drafting decisions. In the Commission's progress report, Estonia was criticised for limited involvement of outside organisations in policy planning and legislative drafting. Soon after this criticism was levelled at Estonia, an advisory council to the Foreign Minister was established, which enables representatives of various organisations to take part in formulating Estonia's positions in accession negotiations with the EU. Participation of the civil society is obligatory, for instance, in designing the SAPARD programme, through which the EU supports the development of rural areas in the applicant countries.

Through the PHARE programme, the EU has to some extent financially supported citizens' initiatives in the applicant countries. In Estonia, one of the main issues has been integration of the Russian-speaking population into society. One successful project in this field has been the hosting of Russian speaking children on Estonian farms during the summer holidays, where they have learned the Estonian language and learned about the Estonian culture.

Financial support to the civil society was recently concentrated under the ACCESS programme. From these funds, 0.8 million Euros has been earmarked for supporting Estonian non-profit organisations. One of the main objectives of the programme is to support activities related to the implementation of EU legislation, in particular in the fields of consumer and environmental protection, and social and health issues. The second priority is to activate and support social groups that are in a relatively weak position in society — the unemployed, the elderly, the homeless, street children, the handicapped, etc. This priority is particularly important in the light of the present situation in Estonian civil society where most of the relatively well organised groups are those whose interests are already better protected, and who have more resources at their disposal (q.v. Lagerspetz et al., 2000). It should be noted that the use of EU support requires citizens' initiative, which again places groups that have better resources, better access to the necessary information and are more capable of showing initiative at an advantage. It is difficult to reach the truly marginalised groups.

In addition to financial support, it is important that integration into the EU indirectly offers new opportunities for civic organisations to make themselves heard and to participate in political processes. EU norms can be used to back up the demands of, for instance, the labour unions, women's organisations and envi-

ronmental groups. Hence, integration into the EU makes it easier for these and many other groups to gain the attention of the public and decision-makers. Several organisations are already aware of these opportunities and have started to make use of them. On the whole, however, the relations between the civil society and the state in Estonia are still far from Western European models.

Joining the EU will give the civil society new opportunities to participate in EU level political processes. In this respect, the social partners are in a privileged position, whereas it is more difficult to influence decision-making in other sectors. EU membership will also open up wider opportunities for Estonian organisations to cooperate with their partners in other member states. Unfortunately, civic organisations in reality are not able to make substantial use of all the potential opportunities for participation, including for lobbying, accorded to them, since these activities require extensive resources, which many organisations do not have. Besides money, knowledge is essential, but learning to know EU procedures and following the decision-making processes demands time and continuous effort.

How to Reduce the Democratic Deficit in the EU?

It unfortunately must be conceded that the opportunities for member states to reduce the democratic deficit of the EU unilaterally, on the national level, are quite limited. Nevertheless, it is extremely important that, based upon the experiences of member states, Estonia design national measures that will enable different institutions and the citizens to follow, control and influence the activities of the EU. Forms of cooperation between the government and administration on the one hand and the Riigikogu and citizens' associations on the other must be developed.

In the longer term, it must not be forgotten that, as a member of the EU, Estonia will also participate in shaping the political system of the Union. It is only on this level that effective solutions can be found to the democratic deficit problem. The central contradiction that makes it difficult to change the system lies between the common desire to make the EU more democratic and the unwillingness of member states to reform the Union's institutional structure in a way that would develop it even a little towards a federalist state. In connection with the EU, the concept of federation has a very negative connotation in the member states, due to the fears that political power will be concentrated to Brussels, that the possibilities for independent decision-making on the national level will further decrease, and even that national identities and cultures will disappear.

At this point it should be stressed that federation is a broad concept encompassing models that do not imply the concentration of power to one centre or bring about cultural homogenisation. From the perspective of democracy, the present situation in the EU is rather unfavourable, since decisions are in many fields taken in common EU institutions, but democratic control functions mainly on the national level. In essence, the power of common institutions is growing, as more and more issues are included in the framework of common decision-making mechanisms. The creation of common monetary, migration, defence and other policies means that decision-making is further distanced from the national democratic procedures. Thus in many fields power is in fact already exercised on a federal level, whereas democracy functions on the national level, far from the actual decision-making. It is therefore difficult for the citizens and national organisations to influence EU policies. In a situation like this, it would be important to define political accountability more concretely and to simplify the decision-making procedures. This in turn would make it easier for citizens and social groups to find channels for influencing political processes.

The principle of subsidiarity should certainly be maintained, by which decisions are made as close to the people as possible, on the national or local level, depending on what is most appropriate in a given sphere. Finding the suitable level for specific issues is a separate matter which also needs to be widely discussed. To put it briefly, increased decision-making on the EU level is closely connected to globalisation that has reduced the scope of choice in national policies, or in other words, the possibilities for shaping the development of one's own state and nation relatively independently of the surrounding world. A strong European region would be able to influence global developments, whereas the prospects of small nation states for doing so are considerably weaker.

In light of enlargement, all these questions related to democracy are becoming increasingly more important in the EU. The search for solutions to the democratic deficit is still in an early stage, and thus future new member states

should be accorded the opportunity to participate in this process. It would therefore also be useful for Estonia to prepare itself for participation in these discussions.

References

Benhabib, S. (1996). (ed.) *Democracy and Difference: Contesting the Boundaries of the Political.* Princeton: Princeton University Press.

Falkner, G. (2000). How Pervasive are Euro-Politics? Effects of EU Membership on a New Member State. *Journal of Common Market Studies*, 38(2).

Lagerspetz, M.; Ruutsoo, R.; Rikmann, E. (2000). Olelemisest osalemiseni? Eesti kodanikualgatuse hetkeseis ja arenguvõimalused. *Akadeemia,* 12(2).

Lord, Ch. (1998). *Democracy in the European Union.* Sheffield: Sheffield Academic Press.

Meyer, Ch. (1999). Exploring the EU's Communication Deficit. *Journal of Common Market Studies*, 37(4).

Schedler, A. (1998). What is Democratic Consolidation? *Journal of Democracy*, 9(2).

Wiberg, M. (1997). (ed.) *Trying to Make Democracy Work — The Nordic Parliaments and the European Union.* Södertälje: The Bank of Sweden Tercentenary Foundation & Gidlunds Förlag.

1.2. Elections in Estonia as compared with other European states

The development of democratic elections is one of the most important political aspects of human development. During the last twelve years, Estonian voters have taken part in thirteen elections. This has been a very essential experience in dealing with democracy. As a matter of fact, democratic elections have become routine, a natural and common activity, the nature and working mechanisms of which are taken for granted. At the same time, various problems connected with elections cannot be overlooked, such as the marked drop in voter turnout, the increased gap between parties and citizens, and alienation of politics and politicians from the people. We will now take a look at the basic characteristics of the electoral process in Estonia, as compared with other post-communist states on the one hand, and with EU states on the other.

Elections in developed democracies

The electoral process has, during the last few decades, undergone various essential changes, even in developed democracies. During the sixties, it was popular to talk about the consolidation of the electorate and political parties in Western countries, of their 'freeze' (Rokkan, 1967), and the lasting stability this brought. But starting in the eighties, there has been talk about the 'thawing' of the electorate and political parties. Attention has been especially paid to the fact that people no longer vote on the basis of their social background, and no longer identify themselves with a particular party. The electorate is now increasingly socially mobile and individualistic..

Traditional political parties have been forced to start reacting to the social changes which have begun to influence the political power vectors upon which these parties have been dependent. The result has been, on the one hand, that catch-all parties (Kirchheimer, 1966) have been forced to look for ways to maintain their dominant role. On the other hand, the development of new post-materialist and local issues in voter orientation has brought about single-issue voting patterns, which have given opportunities for many newcomers to become active in the political arena.

In stable democracies, the relationships between parties and citizens' groups are constantly deteriorating. Most elected representatives act as if they were political entrepreneurs. More and more, voters are casting their ballots for individuals, not for parties. In so doing they are laying the foundation for a candidate-centred electoral process. Many traditional political party functions have been taken over by other institutions. Various specific interest, citizen action, and lobby groups have been organized to promote specific issues and achieve specific aims, without utilizing party structures, but

rather by directly influencing appropriate governmental institutions. The media has taken over the function of socialisation, keeps voters informed and serves many other essential functions previously served by parties.

Changes in political preferences are clearly connected to generational effects. In connection with electoral behaviour, post-materialism and the raising of new issues can, to a great extent, be explained by a generational shift (Dalton, 1988; Ingelhart, 1990). Younger voters, better educated and more inclined towards change, are better able to deal with a complex political world, without being politically tied, than were their predecessors. Realignment in the rank of the agents of socialisation, where media have moved ahead of family and school, has had strong impact on these changes.

Fundamental developments in the international environment have intensified these processes. The collapse of the bipolar world order has made possible the mellowing of ideological conflicts and the smoothing out of differences between opposing political power structures. The massive ongoing globalisation trend is leaving national governments fewer possibilities for developing purely domestic political policies.

At the same time as these quite drastic changes are taking place, there is also a certain tendency for political parties to stabilise. This process can be summarised in two phrases: adapting to a changing environment and changing in order to survive. The latter is especially appropriate in the case of parliamentary political parties which have shown remarkable adaptability and which therefore continue to play a dominant role in the political process. This despite the fact that the parties' traditional position between society and the state has shifted towards the state and we can speak of political parties and the state constantly becoming more intertwined, of the self-serving activities of cartel-parties (Katz, Mair, 1995) and of the marketisation of the whole political world in which political entrepreneurs compete with each other for power, and the results are determined primarily by the resources that the different political actors have at their disposal. Thus it can be said that the basis of the democratic process is are undergoing a major transformation: the focal point of electoral competition has shifted from the question of representation to what benefits a party can offer its supporters/voters. Today, there are fewer and fewer examples of classical representative democracy to be found.

Elections in post-communist states

For various explainable reasons, the electoral patterns of post-communist states are somewhat different from those of developed democracies. A characteristic of these new democracies is the lack of clear social divisions at the beginning of the transitional phase. As a result, both politicians and the electorate find it difficult to clearly define their interests and activities in connection with a multidimensional transition encompassing political, social, and economic changes. A major role is played by the differing dynamics involved in the democratisation process — the creation of a system of political parties before social divisions and interests have been established, but after the basic mechanisms of electoral democracy have been introduced.

In post-communist systems, there is the lack of or a weakness in the civil society and other mechanisms essential for the consolidation of democracy. The systems are weak due to the lack of experience with democracy and the previous socialisation into the communist system. A receptiveness to new means of political communication and mobilisation has created a basis for extensive social mobility, and for the vital role that idiosyncratic and situational factors play in post-communist processes. Former East European states can be characterised by the noticeable influence that international dimensions are having on their domestic development. On the one hand, there is an orientation towards integration with Western structures. But on the other hand, the intense competition and strict limitations that exist in the West place definite restrictions on newcomers. This obviously limits the manoeuvrability of political groups, and makes it difficult for voters to realistically differentiate between the various political platforms and policies.

The big fluctuations in voter support for the various political groups is tied in with the lack of experience with free elections, and with the simplistic comprehension of democracy and market mechanisms. The early phase of the transitional process was dominated by high hopes and expectations. It was assumed that the adoption of basic democratic standards and market economy mechanisms would, by itself, solve all the problems inherited from the past, and, that after this transformation, the post-communist countries would resemble Western welfare states. But the reality proved to be disappointing. The drop in real income and social welfare benefits is a

TABLE 1.1.

Free and seem-free elections held in Estonia (1989–1999)

Date	Event	Eligibility	Turnout among eligible voters (%)	Number of candidates and parties/ groupings	Number of seats
March 26, l989	USSR Congress of People's Deputies	permanent residents + Soviet military	87.1	107 candidates + 12 appointed; 3 major tendencies	32 + 4 elected + 12 appointed
December 10, 1989	Local Councils of People's Deputies of the Estonian SSR	permanent residents + Soviet military	72.0	9,192	4,256
February 24 – March 1, l990	Estonian Congress	Pre-1940 citizens and their descendants	70.0	1,200 candidates; 4 major tendencies	499 + 43 advisory representatives
March l8, l990	Supreme Council of the Estonian SSR	permanent residents + Soviet military	78.4	392 candidates; 3 major tendencies	101 + 4 (army)
March 3, 1991	Referendum on Independence*	permanent residents	82.9	—	—
June 28, 1992	Referendum on the Draft Constitution**	Republic of Estonia citizens	66.8	—	—
September 20, l992	Riigikogu (parliament)	Republic of Estonia citizens	67.8	628 candidates; 17 parties/coalitions, 25 independents	101
September 20, l992	President of Estonia	Republic of Estonia citizens	68.0	4 candidates; 4 groupings	1
October 17, 1993	Local Government Councils	permanent residents	52.6	8,948 candidates; 12 parties, 51 associations, 781 candidate lists, 811 independents	3,513
March 5, 1995	Riigikogu	Republic of Estonia citizens	68.9	1,256 candidates; 7 coalitions, 9 parties, 13 independents	101
August-September, 1996	President of Estonia	Majority required in parliament; if run off, election by electoral body	—	2 candidates and groupings in parliament, 5 candidates and groupings in electoral body	1
October 20, 1996	Local Government Councils	permanent residents	52.5	11,128 candidates; 19 parties (120 party lists, 99 coalitions), 554 local candidate lists, 409 independents	3,453
March 7, 1999	Riigikogu	Republic of Estonia citizens	57.4	1,884 candidates; 12 party lists, 19 independents	101
October 17, 1999	Local Government Councils	permanent residents	49.8	12,801 candidates; 14 parties (180 party lists, 18 coalitions), 570 local candidate lists, 159 independents	3,355

** 77.8 % of the voters supported independence.*
*** 91.3 % of the voters approved the new constitution.*

Sources: Vabariigi Valimiskomisjon Internetis: http://www.vvk.ee/;
Vabariigi Valimiskomisjon, 1992, Vabariigi Presidendi ja Riigikogu valimised 1992: Dokumente ja materjale, Tallinn: Vabariigi Valimiskomisjon.
Bernard Grofman, Evald Mikkel, and Rein Taagepera, 1999, "Electoral Systems Change in Estonia, 1989-1993", Journal of Baltic Studies, 30:3, 227- 249;
Vabariigi Valimiskomisjon, 1999, Riigikogu valimine. 7. märts 1999, Tallinn: Vabariigi Valimiskomisjon;
Vabariigi Valimiskomisjon , 1995, Riigikogu valimine. 5. märts 1995, Tallinn: Vabariigi Valimiskomisjon.

trend which has laid the foundation for general scepticism and alienation. This causes specific, corresponding electoral behavioural patterns. In contrast to stable democracies where electoral analysis usually finds a strong element of retrospective economic-sociotropic voting (evaluation of the incumbent government on the basis of relative success or failure of the national well-being in general), voting at the first founding elections in post-communist societies has been largely determined by prospective political-sociotropic (plebiscite for the (re)establishment of statehood and a democratic regime) and economic-egotropic considerations (personal capital conversion). Thereafter the political preferences of voters are strongly determined by the dynamics of the economy and the prospects for fast economic recovery. Hence, in the following elections there has been a shift from prospective political-sociotropic voting towards retrospective economic-geotropic voting (evaluation of the incumbent government on the basis of personal success or failure). This has resulted in frequent public opinion turn-around, in "punishing" the incumbent government for personal welfare setbacks, and in supporting the opposition in the next elections.

Elections in Estonia

Table 1.1 gives an overview of all semi-free and free elections held in Estonia since 1989 with the basic pertinent information concerning the nature of the elections.

The new electoral era in Estonia started with the first partially free elections for the USSR Congress of People's Deputies, held in March 1989. These elections stimulated the quick development of new political movements and gave voters their first experience with democracy. The Estonian Congress elections of February–March, 1990, a people's initiative project, marked the total break with Soviet electoral practices. The independence referendum of March 1991 confirmed the people's staunch support for total independence. Since the restoration of independence in August of 1991, there have been three national, two presidential, and three local governmental elections, plus a referendum to adopt the constitution.

On the whole, the development of the Estonian electoral process does not differ much from that of other post-communist states, however there is a rather unique ethnic voting pattern in Estonia. In addition, the direct successor of the Communist Party and other left wing parties have been relatively unsuccessful in the first free elections.

Dominant social conflicts/issues

One possible approach to an analysis of the electoral processes in post-communist states during the early stages of the transitional phase is based upon the dominant social conflicts or issues (*q.v. e.g.* Mikkel, 1998). These can generally be categorised into four basic groups.

The first conflict is related to state- and nation-building. All new (re)emerging states face problems related to their previous dependence and domination. Every move towards greater independence is inevitably opposed by those groups which had a privileged position in the previous system. This conflict is usually intensified by socio-economic and ethno-linguistic factors, which often causes the development of complicated ethnic relations, serious problems in connection with the definition of citizenship and difficulties in establishing a new institutional infrastructure.

The second dimension is connected with the communist past and attitudes that exist towards the communists' role in the transition process. The former anti-communist opposition leans towards uncompromising de-communisation, and even clearly demonstrates a desire for revenge. The ex-communists, of course, prefer discreet diffusion into the new political system, and hope that the whole issue will be forgotten. At the same time, they try to bring forth certain positive aspects of the communist period and negative features related to transition.

The third 'cultural' dimension deals with the relationship between the individual and the collective. On the one hand, there are the 'modern libertarians' who are oriented towards individualism and the right of the individual to participate in collective decision-making. On the other hand, there are the traditional authoritarians who believe that collective norms are more important than the individual's freedom of choice (Kitschelt, 1995: 61–64).

The fourth conflict concerns the economic allocation of scarce resources. Liberals believe in a market economy along with everything that derives from this concept, while social democrats tend to lean towards having the state determine the use of resources, with decisions being based upon 'political' guidelines.

During the first stages of the post-communist transition, political groups developed on the basis of these four dominant conflicts, and generally left all other problems in the background. In this regard, the electoral process in

post-communist societies can be divided into distinct phases based on whether the focal point has been placed on the achievement of total independence, on the solving of the de-communisation issue, on focusing clearly on cultural issues or on establishing a logical basis for the development of the economic system.

Thus, the Estonian electoral process can be divided into three periods. The first period (1987–1991) is characterised or dominated by the conflict for achieving independence, by the creation of alternative political forces and the electorate's first experiences with democratic elections.

The second period (1991–1995) is foremost characterised by the quick rise and fall of the de-communisation issue, and of the first definition of differences between the various political groups. During this phase a large part of the electorate grew disappointed in the radical nationalist political forces which came to the forefront with the first wave of independence. As a result, the electorate returned to supporting political forces with a communist background.

The third period (beginning in 1995) is connected with a trend towards stabilisation. This is characterised by the formation of the group of parliamentary parties which begin to dominate the political scene, and the levelling off of the ideological differences between the different parties. There is a tendency for the electorate to continually be disappointed by the party in power and to vote for the opposition during the next elections, while at the same time becoming more and more apathetic and indifferent towards the electoral process as such.

An essential characteristic of this third period is the lack of a clear dominant conflict in society. Instead we can speak of a complex post-communist framework characterised by developing conflict between different regions, generations, ethnic communities and social strata. In a broad sense, this means that a basic cleavage is developing between the winners and losers of the transition.

The electorate

During the period under observation, the Estonian electorate has undergone

both major quantitative and qualitative changes (*q.v.* Table 1.1). In the first period during the 1989–1991 elections and referendum, the electorate was very diverse. In addition to all permanent residents of the ESSR, Soviet military personnel stationed in Estonia were also able to vote[1]. By the next elections after the restoration of independence, the number of voters was noticeably reduced by the limitations put in place by the new electoral and citizenship laws[2]. Only Estonian citizens could participate in the constitutional referendum of June, 1992, while a possible extension of the franchise in national elections to a particular group of non-citizens was rejected. As a result, the voters' list for the 1992 parliamentary and presidential elections consisted of only 661,074 Estonian citizens[3]. In time, with the increase in the number of citizens, the electorate has also noticeably grown. In the last parliamentary elections, the voters' list consisted of 860,544 individuals, while the number of ethnic non-Estonians in the electorate has doubled, forming about 20% of the voters' list during the 1999 elections[4].

There has been a noticeable and constant decrease in voter participation in the course of these elections[5]. During national elections, the greatest interest was shown in the 1989 USSR Congress of Representatives elections, with 87.1% of the electorate voting. The lowest level of interest was shown during the last parliamentary elections in 1999, with only 57.4% of the electorate going to the polls. However, the Estonian Congress elections of 1990 are noteworthy since 70% of the electorate cast their votes despite the fact that it was a people's initiative which was only grudgingly approved by the authorities.

[1] Their number has been estimated at about 40 thousand (Grofman et al., 1999). In the 1989 elections, Soviet military personnel were allowed to vote in any arbitrary Estonian electoral district. This left the door open for various kinds of manipulation with the military vote. In the 1990 elections, Soviet military personnel in Estonia were assigned to four special electoral districts.

[2] Except in local elections in which all permanent residents have the right to vote.

[3] It is interesting to compare this with the voters' list of 1,074,651 from a little more than a year earlier for the independence referendum. According to different estimates about 10% of the voters were non-Estonians. At the same time, approximately an equal number of Estonians did not have citizenship and were therefore not allowed to vote.

[4] The estimates made concerning the number of non-Estonian in the voters' list vary greatly since official Estonian statistics do not classify Estonian citizens on the basis of their ethnic origin. The given percentage is based on an extrapolation of the ethnic background of Estonian residents with citizenship.

[5] The only exceptions are the 1992 and 1995 Riigikogu elections in which voter participation remained more or less constant 67.8% and 68.9%, respectively).

Participation in local governmental elections has traditionally been lower, with 72% in 1989, and falling below the critical 50% point in 1999. The different studies that have been conducted have all concluded that ethnic Estonians have been relatively more active than ethnic non-Estonians in all the elections. Taagepera (1990: 336) estimates that in the 1989 elections, 95% of Estonians, and only 75% of non-Estonians participated. During the last local elections in 1999 (in which all permanent residents had the right to vote), 50.6% of citizens voted, but only 43.2% of non-citizens made use of their franchise (Vabariigi Valimiskomisjon, 2000).

This means that participation in elections in Estonia generally follows the same trend as in other post-communist states. These developments can be explained by the simplistic notions concerning democratic elections which people had at the beginning of independence. People exaggerated the role that elections play in a democratic system, and at the same time ignored other essential mechanisms. They assumed that there exists a direct link between the electorate and the elected, between the people and the state's positions and actions, and hence there were high expectations with regard to further developments. Participation in elections began to decline consistently when it became apparent that voting in free elections is not a magic wand of democracy which will solve all previous problems and lay the bases upon which a welfare state can be established, and talk of the democratic deficit has increased.

Electoral candidates and the people's representatives

Due to an Estonian electoral law peculiarity which allows nearly half the seats in parliament to be assigned on the basis of national compensation mandates, political parties are forced to markedly boost the number of candidates during elections so as to increase the number of votes which can be accumulated into the party's common vote pool. The result has been an explosive increase in the number of candidates per seat. In the 1990 elections for the Supreme Soviet, there were 3.7 candidates per seat, whereas by the 1999 *Riigikogu* (parliamentary) elections there were 18.7 candidates per seat. This growth has been greatest among the larger parliamentary parties. At the local elections level, the increase in the number of candidates has been less dramatic but nevertheless noticeable at 2.5 candidates per seat in 1993 to 3.8 candidates per seat in 1999. This hectic activity does have a positive side. With the increase in the number of candidates there is a corresponding increase in the number of people becoming directly involved in political activities and thus, this development has played a role in the political education of the Estonian electorate.

The socio-demographic characteristics of the candidates differ noticeably from those of the average voter. The typical candidate for parliament is a middle-aged, urban, university educated, high-income, Estonian male. Although the percentage of women among the parliamentary candidates has more than quadrupled from 6% in 1989 to 27% in 1999, this indicator is still relatively low when compared with the gender ratio of the electorate. But at the local election level, the corresponding indicators are 10% higher. It can be hoped that as women gain political experience at the local level and as the attitudes of the general public towards gender roles change, more women will run in national elections.

Another critical aspect characterising the transition period is the relative lack of youth participation in the electoral process. The average age of the candidates in all the elections has been between 45 and 50. At the same time, the parties are trying to establish youth affiliates and to recruit young activists at different levels. The majority of parliamentary candidates are urban dwellers, especially of the capital, Tallinn. For example, in the 1992 Riigikogu elections, 82% of the candidates were urban dwellers, of which 44.8% were residents of Tallinn (Raitviir, 1996: 246–253). In the 1999 elections, the corresponding indicators were just a bit lower at 72% and 39%, respectively.

The efficient functioning of parliament in a post-communist system is influenced by the complex interaction of various factors. The choices that people make in selecting their representatives is very important. An analysis of the 1999 *Riigikogu* election results compared with the results of the previous elections provides a good picture of the people's representatives. Looking at the basic social characteristics of the members of the *Riigikogu* elected in 1999 as compared with the average characteristics of all the candidates, it is apparent that there are fewer women among the elected representatives, and they tend to be older and better educated[6].

[6] Of the present Riigikogu members, 17.8% are women, the average age is 50.9 and 92% have a higher education.

The dynamic nature of transitional societies requires that the people's representative bodies consist of a balance of both political newcomers and oldtimers. Twenty-nine percent of the present *Riigikogu* members ran for the first time in 1999. If we add the members who had previously, but unsuccessfully, run for parliament, then the number of neophytes in the *Riigikogu* is as high as 45. By Estonian standards, 28 representatives can be classified as professional parliamentarians since they have been elected to parliament twice before. Fifty-three members of parliament were previously elected in 1995. Such a ratio, where about half the representatives are experienced, about half are new members, over a quarter are veterans and an equal percentage are total beginners, should be very suitable for Estonia's quickly changing period of transition.

Election to the *Riigikogu* is easier for those who have already succeeded before: 45 present members were also in the previous parliament. A future member of the *Riigikogu* must be nationally or regionally well known and popular. He or she must personally appear in, and attract the attention of, the various media channels. Conspicuous activity within the party can also be very profitable. Of the present 101 *Riigikogu* members, 45 are previous members of parliament, 11 have held important positions in local government, 9 have been associated with scientific or academic institutions, 9 have been entrepreneurs, 6 have been involved in journalism, and the same number have been parliamentary, governmental, or local governmental advisers. The *Riigikogu* also include three top-level party functionaries and two representatives of the legal profession, while a number of other professions are represented by single individuals. An overwhelming majority of Riigikogu members, as many as 87, have previously held high-ranking positions in their respective fields.

One factor which is commonly used to determine the stability of political parties and party systems is the loyalty of parliament members to their party or party alliance. Of the 28 present members who have been in three parliaments, almost two-thirds have remained true to their team. This is actually a

TABLE 1.2.

Results of the National Elections in Estonia (l991–l999)*

	Riigikogu (Sept. 20, l992)	President of Estonia (Sept. 20, l992)	Riigikogu (March 5, 1995)	Riigikogu (March 7, 1999)
Number of parties in parliament	9	—	7	7
Popular vote (seats) (%)	Fatherland – 22.0 (28.7) Secure Home – 13.6 (16.8) Popular Front – 12.3 (14.9) Moderates – 9.7 (11.9) ENIP**– 8.8 (9.9) Indep. Royalists - 7. 1 (7.9) E. Citizen – 6.9 (7.9) Greens – 2.6 (1.0) Entrepreneurs – 2.4 (1.0) Other parties – 10.3 (0) Independents – 4.3 (0)	Arnold Rüütel – 41.8 Lennart Meri – 29.5 Rein Taagepera – 23.4 Lagle Parek – 4.2 Run off in parliament: Lennart Meri – 58.4 Arnold Rüütel – 30.7	CPRPU** – 32.2 (40.6) Reform P. – 16.2 (18.8) Centre P. – 14.2 (15.8) FENIP** - 7.9 (7.9) Moderates – 6.0 (5.9) OHIE** - 5. 9 (5.9) Right-wingers – 5.0 (5.0) Other parties – 12.4 (0) Independents – 0.27 (0)	Centre P. – 23.4 (27.7) Fatherland Union – 16.1 (17.8) Reform P. – 15.9 (17.8) Moderates – 15.2 (16.8) Coalition P. – 7.6 (6.9) Country People's P. – 7.3 (6.9) United People P.** – 6.1 (5.9) Other parties – 6.9 (0) Independents – 1.5 (0)

* *This table does not include the 1996 presidential elections since only general elections are being analyzed.*

** *Abbreviations: ENIP -Estonian National Independence Party; CPRPU - Coalition Party and Country People's Party Alliance; FENIP - Fatherland and ENIP Alliance; OHIE - Our Home is Estonia.*

Sources: *Vabariigi Valimiskomisjon Internetis: http://www.vvk.ee/*
Vabariigi Valimiskomisjon., 1992, Vabariigi Presidendi ja Riigikogu valimised 1992: Dokumente ja materjale, Tallinn: Eesti Vabariigi Valimiskomisjon.
Vabariigi Valimiskomisjon, 1999, Riigikogu valimine. 7. märts 1999, Tallinn: Vabariigi Valimiskomisjon.
Vabariigi Valimiskomisjon , 1995, Riigikogu valimine. 5. märts 1995, Tallinn: Vabariigi Valimiskomisjon.

fairly good indicator when taking into consideration the dynamic developments which have taken place in a transitional society such as Estonia.

An important step in the development of Estonian democracy took place in 1995 when parties representing the Russian-speaking segment of the population won seats in parliament. To achieve this, they formed the election coalition *Meie kodu on Eestimaa* (Our Home is Estonia). In 1999, however, dissension and growing differences in interests and political leanings prevented the formation of a common Russian electoral list. Nevertheless, the *Eesti Ühendatud Rahvapartei* (Estonian United People's Party) managed to get into the *Riigikogu*. Since no strong Russian party existed during the first elections and since parties representing the moderate segment of the Estonian-speaking population have been able to appeal to the Russian-speakers with their policies, a noticeable percentage of the Russian-speaking community votes for Estonian parties[7].

Compared with other post-communist countries, Estonia's political arena is unique as it lacks strong left wing parties. The Communist Party's direct successor, *Eesti Demokraatlik Tööpartei* (Estonian Democratic Labour Party), did not manage to get into the *Riigikogu* until the 1999 elections, and even then, did so only thanks to joining the electoral list of the Estonian United People's Party which represents the Russian-speaking community . The Estonian social democrats cannot be regarded as a traditional leftist party. The *Eesti Sotsiaaldemokraatlik Partei* (Estonian Social Democratic Party) has survived several alliances with right wing parties and, more importantly, joined both the 1992 and 1999 right-wing coalition governments.

The unpopularity of the left in Estonia is a direct result of the Soviet occupation when everything left-wing was automatically also considered to be Soviet. Thus, during the first elections after independence was regained, it was practical for all political groups to call themselves right-wingers. Due to the socio-demographic processes which have taken place in Estonia, as a result of which the majority of the Estonian population has moved into the relatively low-income stratum, there have been slow shifts in people's political leanings. As a result, most parties are moving from the right to the left. During the 1995 elections, most parties labelled themselves as right-centrists, but by 1999, the fiercest competition was emerged for the centrist positions.

References

Dalton, R. (1988). *Citizen Politics in Western Democracies*, Chatman: Chatman House Publishers.

Eesti Vabariigi Valimiskomisjon. (1992). *Vabariigi Presidendi ja Riigikogu valimised 1992: Dokumente ja materjale*, Tallinn: Eesti Vabariigi Valimiskomisjon.

Eesti Vabariigi Valimiskomisjon Internetis: http://www.vvk.ee/.

Grofman, B., Mikkel, E., & Taagepera, R. (1999). Electoral Systems Change in Estonia, 1989–1993. *Journal of Baltic Studies*, 30:3, 227–249.

Inglehart, R. (1990). *Culture Shift*. Princeton, N.J.: Princeton University Press.

Katz & Mair. (1995). Changing Models of Party Organization and Party Democracy. *Party Politics*, 1:1, 29–47.

Kirchheimer, O. (1966). The Transformation of West European party Systems. In J. LaPalombara & M. Weiner (Eds.), *Political Parties and Political Development*, Princeton, N.J.: Princeton University Press.

Kitschelt, H. (1995b). Party Systems in East Central Europe: Consolidation or Fluidity? *Studies in Public Policy*, Paper No. 241, Glasgow: University of Strathclyde.

Lipset, S. M., & Rokkan, S. (1967). Cleavage Structures, Party Systems, and Voter Alignments: An Introduction. In S. M. Lipset and S. Rokkan (Eds.), *Party Systems and Voter Alignments. Cross-National Perspectives* (pp. 1–64). New York: Free Press.

Mikkel, E. (1998). The Cleavage Formation and the Emergence of 'Party Systems' in the Post-Soviet Societies: Estonia and Lithuania Compared, 1998. Paper prepared for the 26th ECPR Joint Session workshop *„Change & Continuity in the Roles of Parties in Democratization"*, Warwick, UK, March 23–28.

[7] Traditionally, support has been given to the *Keskerakond* (Centre Party), however during the last election a sizeable percentage of non-Estonians voted for the *Reformierakond* (Reform Party) (Taru, 1999).

O'Donnell, G. (1994). Delegative Democracy. *Journal of Democracy*, 5:1, 55–69.

Raitviir, T. (1996). *Elections in Estonia During the Transition Period: A Comparative Study (1989–1993)*. Tallinn: Estonian Academy Publishers.

Taru, M. (1999). Valimispäeva küsitluse tulemusi. *Riigikogu valimised 1999* (lk 156–184). Tartu ülikooli kirjastus.

Taagepera, R. (1990). A Note on the March 1989 Elections in Estonia. *Soviet Studies 42:2*, 329–39.

Vabariigi Valimiskomisjon. (1999). *Riigikogu valimine. 7. märts 1999*, Tallinn: Vabariigi Valimiskomisjon.

Vabariigi Valimiskomisjon. (1995). *Riigikogu valimine. 5. märts 1995*, Tallinn: Vabariigi Valimiskomisjon.

1.3. Estonian Administrative Capacity as Compared with the European Administrative Sphere

The degree of consolidation and stabilisation of democratic institutions established itself as the main criterion for evaluating the progress of transition in Central and Eastern Europe (CEE) in the early 1990's. The success of the transition processes depended on the ability of these states to establish the values of classical liberalism within society. This focus was supported by the relative success of libertarian policies in Western countries during the 1980's.

The values that arose in post-communist societies were primarily in the form of negative extrapolation of the communist experiences to the options of future development. The experiences of the past could not be options for the future. One absolute, official truth was replaced by new, uncontested ideals. The institutions of free society which clearly contrasted with communist political institutions were legitimised in the people's eyes as abstract ideals. Other fragments of the previous reality, such as the state, the common good, equality and social justice on which the previous regime was built (albeit in their distorted forms), became unequivocally negatively valued.

The rhetoric about the role of the government began to change in the mid-1990's, especially after the economic setbacks in the most successful reforming states, including Estonia (Verheijen, 2000; Commission Opinion on Estonia's Application. 1997). Previously, a large and overwhelming bureaucracy was seen as the main threat to democracy. Now it became obvious that the success of reforms would be undermined by a weak and inefficient administration. At this turning point the CEE countries had to start making pragmatic choices which could no longer be based upon abstract principles.

Ensuring the legitimacy and quality of legislation

The legitimacy of legislation and effectiveness of its implementation is maintained in different administrative systems in different ways. In Continental Europe, laws are primarily technical rules and regulations. The administrative branch and senior civil servants as experts must therefore play a central role in the process of drafting and adopting legislation.

In Scandinavian countries, the legitimacy of legislation is ensured primarily by the participation of constituent interest groups in the drafting process, and by openness and consensus in the decision-making process. For the drafting of major legislation, an independent committee is formed, in which the appropriate government ministry is only one (although the major) participant.

In the Anglo-American system, legitimacy is primarily ensured through adherence to democratic procedures, including the competitive majority principle, either based on Westminsterian parliamentary dictatorship or American logrolling.

In Estonia, a clear-cut legislative style has yet to evolve. Analysis done by political scientists at Tallinn Pedagogical University indicates that forestry policy and legislation was drafted similarly to the Scandinavian model, while policy-making in state television broadcasting has been very similar to the logrolling model. Taxation legislation was adopted clearly on the basis of a majoritarian policy-making style. (Sootla & Kasemets 1999).

In addition, the share of proposed legislation in parliament which is initiated by the Government is unusually small in Estonia,

although Government initiatives are usually successful (Table 1.3). In Europe, Governments play a dominant role in legislative initiative. Countries which are characterised by complicated coalition politics are the exception. . In such countries, proposed legislation is submitted by parliamentary committees (1) composed of highly qualified professional experts, or by individual MP's and parliamentary factions (2), whose propositions have been drafted with the aid of reliable experts. Neither of these can explain the low legislative initiative of the Government in Estonia.

This was well illustrated in a qualitative analysis of adopted legislation (Figure 1.1). On the one hand, most appendices to *ministerial bills* include a financial analysis of the bill (column F), and the consequent changes in administrative structure and staff (G). There are also frequent references to the bill's conformity with EU legislation (K). On the other hand, appendices to the *bills submitted by political party factions and parliamentary committees* rarely contain analyses of the material consequences of the bill. However, the Government's analyses often only address costs associated with the immediate implementation of the legislation such as the cost of drafting the implementation regulations but not costs associated with the outputs of the policy program. The participation of interest groups (I) and experts (in the case of parliamentary subjects) (J) is almost non-existent in the drafting process. Thus, it is not clear whether the consensus or professional type of legislative decision-making is developing in Estonia.

TABLE 1.3.
The distribution of legislative initiative and legislative success*

Legislative success rate		share of initiatives: low	share of initiatives: high
	high	Total: 11% COMMITTEES Success: 81%	Total: 46% GOVERNMENT Success: 89%
	low	Total: 17% MP'S Success: 47%	Total: 27% FACTIONS Success: 42%

** Data from Riigikogu Kroonikast 1996–1997.*

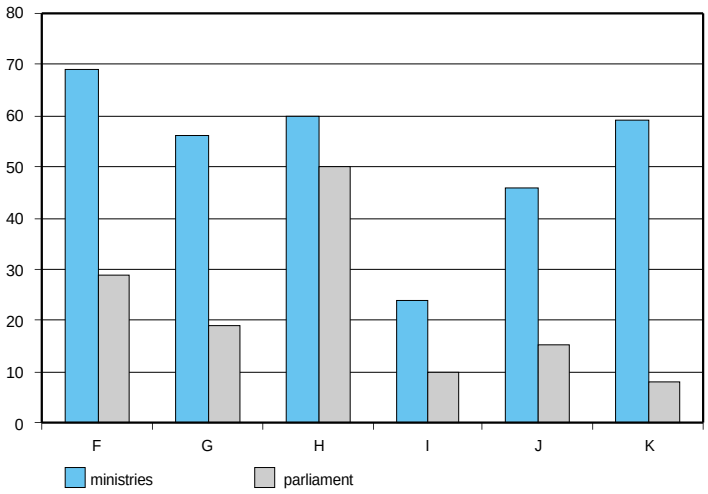
Variables determining the Government's capacity to implement laws

The capacity of the executive is revealed in two ways: by its ability to make rational and legitimate decisions, and by its ability to implement them. CEE countries are most often reproached for the inability of their government agencies and civil servants to implement laws effectively. This is difficult to dispute, but this should be viewed more as an effect than a cause. In Government decision-making, the real reason lies is the inevitable need to balance opposing goals and interests.

From a functionalistic point of view, most Government policies seek to fulfil basic goals necessary for the development of the social system: the economy of scarce resources, the strengthening of democracy, the promotion of social balances or the change of the dominant value-system, etc. This is known in sociology as the AGIL configuration, developed by T. Parsons. Yet these aims can, inevitably, be fulfilled only at the expense of others, and, inevitably, one decision- making style has to be preferred over another. There is no ideal model for policy-making. This process is cyclical by nature. According to M. de Vries's terminology (De Vries, 1999), the policy generations change in Western countries takes place over a fairly long period (10–15 years), which guarantees the stability and continuity of policy and government.

In Estonia and other CEE countries which promoted rapid and radical reforms policy generations and decision-making styles change

FIGURE 1.1.
How the submitters of legislation adhere to quality criteria
Data from: S. Soiver Indicators of the Quality of Legislative Process (BA thesis). Tallinn TUES, Department of Government, 2000.



very quickly. The logic of transition calls for the use of fundamentally conflicting values and systemic goals. The immense ideological divide within and between coalitions, and the personification of political conflicts cause policy making style to oscillate from one end of the consensual — majoritarian scale to the other.

This makes it impossible for anyone to shape a consistent national developmental strategy or to guarantee the continuity of policy. For example, the current government coalition would like to carry out reforms to make the administration as efficient (economical) as possible, while at the same time citizen-centred in order to diminish the alienation of citizens from the state. To achieve the first aim, the Government would like to consolidate local governments, close small rural schools and amalgamate hospitals. These means, however, cannot make government more citizen-friendly.

The other dilemma in the Government's decision making process derives from the controversy between the political and administrative-professional dimension of policy-making. In the CEE context, J. Blondel recently focused on this problem (Blondel & Golosov, 2000). In the Estonian context the controversy between political and policy co-ordination was analysed. (Sootla, Kasemets & Velthut, 2000). On the one hand, the Government's decision-making process has to be consistent, and the Government has to make as many decisions as possible on its own. On the other hand, the Government alone is not capable of dealing with the substance of all the questions that it has to solve. Most matters, especially those which require a detailed and professional analysis, have to be delegated to individual ministers. In this case, the cabinet's role is to only ratify them. The current government coalition in Estonia consists of parties which follow quite different ideologies. The reform party is a typical libertarian party while the moderates have a social democratic identity. Therefore, the decentralisation of policy-making to individual ministers threatens the unity of government. Hence, those decisions which can cause conflicts, regardless of the subject matter, are taken through bargaining and logrolling, either between coalition partners or between individual ministers (*q.v.* March & Olsen, 1976). Rational considerations and professional expediency are often left on the sidelines. The outcomes and sometimes also outputs of this policy-making style are by definition contradictory and incompatible. Sooner or later, conflicts develop between the different policies, which in the long term can develop into social tensions. The focusing of attention on politically feasible and politically profitable decisions inevitably means that difficult but urgent questions will be left undecided. When the making of these decisions becomes inevitable, political unity can no longer be maintained.

A country of radical reforms like Estonia has demonstrated that the opposite policy-making style is equally controversial. The Government of Mart Siimann opened the policy-making process to both interest groups and civil servants. It aimed to introduce consensual policy-making and greater co-ordination between policies. But the drafting of policy became so agency-centred that political co-ordination within the government cabinet became very difficult. Decision-making began to drag, policy became increasingly incremental and eventually the decision-making mechanism also stalled.

The formation of a stable, loyal, and professional civil service

EU countries have developed rather different civil service systems, which can be placed evenly along the continuum of the classical closed career and open position systems. (Auer, Demmke & Polet, 1996). After the adoption of new civil service legislation in the CEE countries, it became apparent that the development of both systems would entail serious controversies.

The principles of a career system have, within the liberal and post-modern value context of transition countries, proved to be too conservative for the younger generation. Countries with previous Continental administrative experiences (Poland, Hungary) tried to adapt this system to the new circumstances. As a result, the "Hungarian Civil service combined most of the disadvantages of a structurally fragmented career system… with the worst aspects of the previous Labour code". (Keraudren, van Mierlo, 1994: 120).

Countries which hoped to overcome these contradictions (Poland, Latvia) concentrated on creating a career system for the core of the civil service, but this dualistic approach also did not achieve stability or professionalism. The extremely restrictive definition of the civil service did not result in the separation of two groups of state employees with different roles.

BOX 1.1.

The stability of cabinets in CEE EU applicant states

Country	Number of Governments	Number of Prime Ministers	Number of Ministers	Ministers, average tenure in years	Government, length of time in office in years
Estonia	7	4	61	1.5	1.2
Latvia	7	5	58	1.6	1.0
Lithuania	5	5	58	1.9	1.6
Poland	7	6	103	1.6	1.3
Czech Republic	4	3	60	1.5	2,1
Slovakia	5	3	67	2.0	1.7
Hungary	5	4	70	2.8	2.1
Slovenia	4	1	44	2.1	1,9
Bulgaria	8	8	126	1.3	1,1
Romania	10	6	119	1.3	0,8
31 developed democracies	504				2,12

Therefore, it is not surprising, that many CEE countries have, within a short period, drastically amended their civil service legislation. (*q.v.* Verheijen, 2000).

The modern Estonian cultural context is also not compatible with the logic of a career hierarchy. Historically, Estonia is community oriented (as opposed to state oriented), corporatist (as opposed to liberal), and relatively egalitarian (Sootla, 1997). Relationships which develop both within and outside an organisation tend to be quite personified. Therefore, even loyal civil servants cannot remain neutral when fulfilling their everyday duties. And managers cannot structure their agencies according to the logic of the division of labour[1]. Therefore, an agency's efficiency is very dependent upon the management's ability to develop a unifying organisational culture. This is an especially difficult task in Estonia today.

There are several variables which hinder the development of an organisational culture as a management tool and of a coherent set of values for the civil service. First of all, there is a great turnover in the civil service, especially at the central level. In Tallinn, where the central agencies are located, the pay rates in the public sector are not competitive with those of the private sector. A stable job does not have the appeal that it does outside of Tallinn. In Estonian ministries, 67.2% of the employees (Table 1.4) have worked for the ministry for less than 3 years, and 44.6% of them have been civil servants for 3 years or less. Two-fifths of all civil servants plan to either transfer to another government agency (17.4%), or leave the government service for the private sector (19.2%). But this process is not just a one way street. Of newly employed government officials, 24.9% come from the private sector, and 36.6% from outside both the civil service and the private sector[2].

In addition, in a transitional society different generation have rather different value systems. The distorted concept of the common good in post-totalitarian Soviet society still shapes people's attitudes towards the state.

[1] This was empirically demonstrated in our study of tax administration. (Sootla, et. al. 1998).

[2] Data concerning civil servants' attitudes comes from a poll ordered by the State Chancellery in 1997, developed by Sootla and Roots. See also: Sootla & Roots (1999).

TABLE 1.4.

The civil service structure based upon tenure of employment*

Civil service category	less than 1 year	1–3 years	4–10 years	11–15 years	over 15 years
Top civil servants					
Total tenure	6.6	25.2	43.4	7.8	17.0
Tenure in the current agency	10.5	35.7	42.0	1.5	8.6
Senior civil servants					
Total tenure	18.3	33.2	29.8	6.1	12.6
Tenure in the current agency	20.6	42.5	29.7	2.3	5.0
Junior civil servants					
Total tenure	17.2	32.0	36.1	5.7	9.0
Tenure in the current agency	20.5	40.2	32.0	3.3	4.1
Total:					
Total tenure	14.2	30.4	35.0	6.7	13.7
Tenure in the current agency	27.2	40.0	34.8	2.6	5.5

* *Data: Riigikantselei, 2000 http://www.riik.ee/riigikantselei/atp/Tabelid/www/2000.htm].*

The civil service is clearly divided into several groups with different value systems. In addition to the group which is geared towards individual achievement, there exists a group which places great value in power and a group which, figuratively speaking, thanks to its long tenure and inability to find employment in the private sector simply has nowhere else to go.

Government agencies which for these reasons are staffed by very diverse people cannot be managed appropriately through the development of a coherent set of values and principles. Just as hierarchies and a career do not qualify as real values. The prestige of the service (4% found this to be an essential motivator) and career opportunities in the civil service (6.1%) were the lowest rated values among public officials.

The identity crisis among civil servants has been intensified by the continuos reshuffling of administrative structures during the 1990's. Two-thirds of officials polled stated that frequent reorganisation is the main obstacle to effective work. (Table 1.5). This is especially true in the case of frequent rumours of upcoming changes which are usually associated with staff cuts.

What are the possible alternatives for increasing the administrative capacity of the civil service? The most common remedy proposed by various experts has been to increase salaries. The dynamics of wages in Estonia in the 1990's shows that civil servants' wages increased very quickly (only slower than in the banking sector) (Eesti Statistikaamet, 1997).

TABLE 1.5.

What hinders officials' efficiency*

	1st choice	2nd choice	3rd choice	Total
Strict orders and regulations	53	2	0	55
Frequent reorganisation of government structures	224	19	0	243
Frequent political changes	30	82	6	118
Strong pressure from outside interest groups	12	19	16	47
Shortage of civil servants	13	27	8	48
Irrationality of the administration	15	23	8	46
Lack of power to make decisions	10	43	11	64
Over-centralisation	1	12	13	26
Lack of a general development strategy	10	41	43	94
Superior's lack of leadership skills	10	28	32	70
General lack of responsibility	4	22	33	59
Lack of opportunities for self-improvement	7	18	57	82
Poor technical facilities	0	13	29	42

* *Data: Riigikantselei, 2000 [http://www.riik.ee/riigikantselei/atp/Tabelid/www2000.htm].*

Besides, it is very unlikely that poor CEE states would be capable of offering higher wages and would just drown the negative tendencies in the development of the civil service. (Assuming, of course, that the problem lies in low wages.) One of the most powerful variables has been an over-emphasis on personal success, which originated in the libertarian economic context. These values were quickly imported to the civil service by the young newcomers. These values have deformed the traditional system of incentives, primarily those concerning the public good and social responsibility. The absence of these values cannot be balanced by higher wages alone.

It can be said that the relationship between officials and politicians during the 1990's was like a constant arm-wrestling match. The present Government is trying — contrary to the logic of fashionable New Public management — to make top officials very dependent on politicians, who can be dismissed "if the minister deems co-operation between the minister and chancellor to be inefficient" [3]. Officials have responded to such pressure either by politicisation (becoming personally loyal) or "voting with their feet". This implementation gap is, according to SIGMA, the main reason for a poorly functioning administrative system.

Such a configuration between the roles of politicians and officials in Estonia is not, by any means, unique. Pierre (Pierre, 2000) observes that on the one hand, "we see policy-makers using administrative reform to displace accountability for public policy; on the other hand we see the very same policy-makers trying to increase their control over the bureaucracy" (Pierre 1995: 3) Experts on the public administration reforms in CEE states have found that "politicians are generally unwilling to give up their "right of interference" in the administration. If central and East European states want to improve the quality of their administrations, then they must somehow raise the level of job security" (Coombes, Verheeijen, 1997:172) [4].

Obviously, a value system is the key to stabilising the civil service and creating sufficient capacity. The basic mission of the civil service is to offer and protect the common good. But during the transition, the common good became an anti-value. The patient became a client. The citizen, with his rights and problems, became a bothersome consumer. The taxpayer become a spender of tax revenues. The government official has acquired a negative image. Relations between citizens and officials are based on a presumption of mistrust (Sootla & Illiner, 1997). It has been years since anyone has held debates on "whether the State is for the People", which was popular during the Singing Revolution. In such a cultural context it is very complicated to establish the civil service as an institution which can be expected to integrate the administration with the rest of society.

Oddly enough, negative traits can become positive if an adequate alternative is found. Estonia has established a fairly strong system of academic and vocational colleges for the training of civil servants. They are rapidly approaching the standards of education accepted in EU countries. The role of quality of education in increasing in the course of Estonian integration with the EU. The vast majority of officials with Soviet-era degrees will not be eligible for key positions due to their poor language and communication skills. In a small corporatist state, institutions of higher education are not only educational establishments, but also serve an important socialising function. In fact, they promote the development of corporatist networks within the civil service. These networks could become mechanisms of integration which would indoctrinate officials with the principles of professional ethics. These networks would also provide mechanisms for informal information feedback concerning corruption, and ethical control that no administrative institution could provide.

Conclusion

Estonia's present Government is committed to a reform policy based upon the concept of "new public management" (NPM). But NPM is not very new. Quite the contrary. During the 1990's, this approach was sharply criticised, even by its previous supporters. With the exception of perhaps New Zealand, no country has persistently or successfully put the principles of NPM into practice. The reason has been that politicians have not trusted officials enough, and have not been willing to give them the independence needed for implement-

[3] The draft Public Administration Organisation Act http://www.just.ee/

[4] Verheyen: "Public Management in Central and Eastern Europe: the Nature of the Problem", Coombes & Verheijen, ed.: Public Management Reform, pg 172.

ing policy. Yet trust is a key component of the administrative policy of the EU (Majone, 1997).

NPM ideology is geared toward achieving two aims: first, to place the responsibility for executing policy on officials, thereby reducing, in the case of policy failure, the chances that politicians will lose their trustworthiness in the eyes of the public (*q.v.* Hood, 1999) and secondly, to implement the private sector's management techniques and market mechanisms in the public sector.

In CEE countries the losses from policy failure are very low due to the relatively low level of political responsibility. Hence, there are ample possibilities for making officials the scapegoats for policy failures. Consequently, politicians lack the motive to actually delegate power and responsibility to officials. The NPM cannot work by definition.

Market mechanisms presume a substantial market space, which Estonia, as a small country, does not have, especially on the local level. The successful small country, of New Zealand also developed an internal balance in the administrative system, based upon internal agreements between agencies. It would definitely be useful for Estonia's political leaders to become familiar with the principles of participatory administration as practised in the United States (Peters, 1996) and in the Scandinavian countries, and also with the network administration that is developing in Holland (*q.v.* Kickert, 1997).

References

Auer, Demmke, Polet (1996). Civil Service in Europe of Fifteen: Current Situation and Prospects. *EIPA,* Maastricht, lk. 129–139.

Blondel, Golosov (2000). Studying decision-making in the 'Centre of the Government' in Eastern Europe and the CIS, *ECPR workshop,* Kopenhagen, Aprill.

Eesti Statistikaamet (1997). *Statistical Yearbook of Estonia.* Tallinn, lk 163.

Euroopa Komisjon (1997). *Commission Opinion on Estonai's Application for Membership of the European Union* [http://europa.eu.int/comm/enlargement/estonia/op_07_97/index.htm].

Flynn, Strehel, *ed.* (1996). *Public Sector Management in Europe.* Prentice Hall, lk 76–83.

Hood (1999). Public Service Bargains and Public Service Reform. Paper presented at ECPR joint session of Workshops, Mannheim, March, 26–31.

Keraudren, van Mierlo (1994). Reform of Public Management in Hungary. In Coombes and Verheyen (Eds.), *Public Management Reform. Comapartive Experinece from east and West* (pp. 120).

Kickert (1997). Public Governance in the Netherlands: an alternative to Anglo-American managerialism. *Public Administration*, v.75, Nr 4, 731 – 752.

Majone (1997). Independent Agencies and delegation Problem. In Steuneberg and van Vught (Eds.), *Political Institutions and Public Policy. Perspectives on European Decision Making.* Kluwer.

March, Olsen, ed. (1976). *Ambiguity and Choice in Organizations.* Oslo: Scandinavian University Press.

Peters, G. (1997). Bureaucrats and Political Appointees in European Democracies: Who's Who and Does it Make Any Difference. In Farazmand (Ed.), *Modern Systems of Government.* SAGE.

Peters (1996): *The Future of Governing. Four Emerging Models.* Kansas University Press, pt. 3.

Pierre, *ed.* (2000). Bureaucracy and the Modern State: an Introduction to comparative public administration. Aldershot, Edward Elgar lk. 3, tsit. Pollit and Bouckaert (2000) *Public management Reform. A Comparative Anaslysis.* Oxford University Press, lk 134.

Sootla (1997). Administrative Cultures and Public Attitudes. In Jabes (Ed.), *Professionalisation of Public servants in Central and Eastern Europe.* SIGMA/NISPAcee.

Sootla, Illner (1997). Attitudes of Public Servants and Citizens. In Jabes (Ed), *Professionalisation of Public servants in Central and Eastern Europe.* SIGMA/NISPAcee.

Sootla, Kasemets, Velthut (2000). Balancing policy-making in the 'centre of government: the Estonian example, *ECPR 28th Joint session of Workshops,* Kopenhaagen 14–19 Aprill, 2000.

Verheijen (2000). Administrative Capacity development. A Race Against Time, *WPR.* Nr 107, The Hague, Juuni, lk. 25.

1.4. Social Issues Related to the Harmonisation of Estonian Legislation with EU law

The reforms taking place in the Estonian legal system within the framework of Euro-integration will require major changes on the social plane. In the society under transition the discrepancy between the two systems was not perceived as being so stark since the respective theoretical background was based on a description of the controversies and disproportion inherent in transformation. But since the new situation in which Estonia is heading towards integration with the European Union will establish a new basic system in which a unified economical, legal and cultural space are of utmost importance, the issue of how Estonian society will adapt in Europe becomes much more important.

As the Estonian legal system is based on the rule of law, the general principles of European law such as the separation and balance of powers, non-discrimination, the transparency of legislation, etc., are taken for granted by the public. At first glance it appears that the Estonian legal system can merge into the European legal space with relative ease and that conflicts in values should not arise. The problems that might arise on the social plane have yet to be sufficiently analysed. It is possible that the harmonisation process will reveal that total harmonisation of Estonian law may be problematic or even impossible due to starkly different conditions in Estonia and EU countries.

A formal harmonisation of laws is not enough for successful Euro-integration. The integrating effect of a legal system is exposed only through its regulatory capacity. The laws of any country should correspond to the level of development of society and also to the general values of the population so that they can regulate society from within. For instance, in view of the fact that in three months of this year over 12,000 crimes were committed in Estonia, it is of little use that Estonia's criminal code is in itself relatively good.

It must be taken into account that due to its broad scope, EU legislation imports a foreign element into the legislation and societal relations of the Member States, despite the similarity of the general cultural context. The Schengen agreement prescribes a substantial dismantling of the internal borders between the Member States. Estonia may find it too difficult to sustain the free movement of persons, capital, goods and services in the form acceptable to European powers with advanced economies and social security systems. In view of Estonia's specific demographic situation it is questionable whether the population is prepared to put these principles into practice. As Estonia is still struggling with the domestic integration of its non-Estonian population, it is apparent that Estonia is not yet ready to absorb new immigrants or solve the problems related to new immigration.

For the Estonian public, some principles of EU law (for example the supremacy of EU law over the legislation of Member States) are reminiscent of principles of the Soviet era. Eurosceptics have already made reference to the aspect of partial delegation of sovereignty in Euro-integration, by drawing a parallel between the EU and the SU, claiming that "Estonia is going from one union to another". Many Member States have also questioned the supremacy of EU law over national legislation. And yet the increasing number of specific and unconditional rules arising from the treaties and developed through the case law of the European Court of Justice have direct impact on national legislation, that is, they must be applied by the national courts. Even the new Member States must comply fully and no concessions are made.

Legal awareness of society. Changes in the attitudes of the population

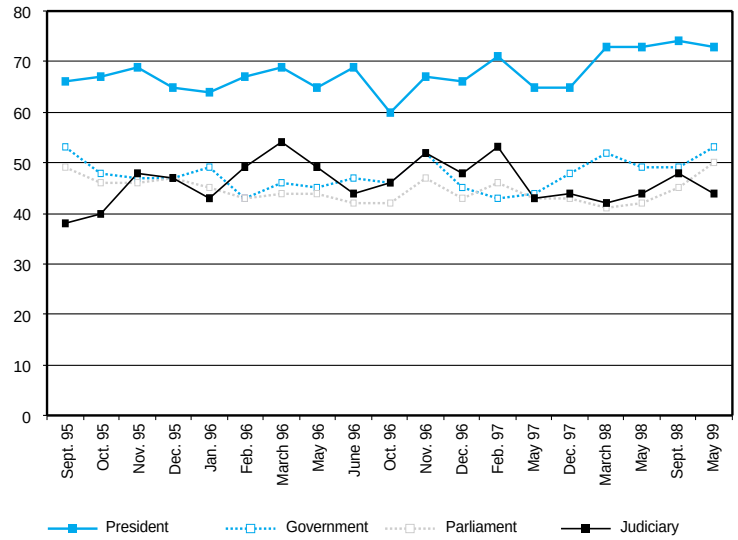
Many analyses have been written regarding changes evidenced in Estonia's social sphere between 1994–1997, including in the spheres of politics, economics, culture, and individual attitudes and preferences (Vihalemm, 1998). Based on statistics and questionnaires, we can conclude that the Nordic countries, in particular Finland, have a special role in Estonia's cultural sphere. Presumably, Estonian society will adopt the social values inherent to Nordic countries (high valuation of social security). The rate of development, however, will depend on the development of both economic structures and the civil society framework.

FIGURE1.2.

Trustworthiness of state institutions

("trust completely" + "trust more than mistrust", %)

Source: Allikas: Saar Poll / Riigikogu Kantselei MSI
http://www.riigikogu.ee/osakonnad/MSI



Civil society researchers (Ruutsoo, 1998) have suggested that the slogans and speeches characteristic of the period of restoration of Estonia's independence have lost their relevance as mobilising factors. Euro-integration has yet to assume the same integrating and mobilising role for the population. People do not perceive it as a 'joint venture' uniting different social strata and groups in the name of rapid achievement of a common goal. For the development of civil society and in particular view of EU integration, the level of education in legal matters, personal experience, the ability to keep tabs on changes and the desire to participate in the transformation of society have become increasingly important. This means that the attitudes and opinions of people should evolve together with the formal change in the legal system to become more similar to those entertained by people living in states with an advanced civil society. It is clear that attitudes do not always change as rapidly as a state can change its formal legal system.

Some researchers have doubted whether Estonia will ever witness the rise of a classical civil society. The uneven structural development of the civil society may become an impediment to the implementation of EU law. One indicator of the level of development of the civil society is the attitude of the population towards state authority and the judiciary. The public's trust in Estonian governmental institutions has been measured since 1995. The data in Figure 1.2 characterise the trustworthiness of four state institutions in the eyes of the public[1]. As was to be expected, the President was deemed by the population to be the most trustworthy of the state institutions. It is important to note that the judiciary is deemed trustworthy by only about half of Estonian residents, which likely affects the law abidance of the population.

An important aspect of returning to the principles of the rule of law is the ever-increasing role of public and private law in everyday life. There have already been a number of cases in Estonian legal practice which have proved that private citizens can enforce their rights through the courts against both private companies and state authority (compensation for incorrect dismissal from state office, claims for the refund of unlawful parking fees, etc.). The people's awareness that they have rights under the law has tremendously increased. Perception of the courts as merely a punitive institution has diminished and is being replaced by the constructive attitude found in civil societies that the judiciary is also a public watchdog which protects people's rights. Nevertheless, over 70% of people agree with the claim that in Estonia, *there is one law for the rich, and another law for the poor*[2]. This implies the absence in Estonia of fairness and equality in enforcement of the law. Euro-integration should contribute to the growth of positive attitudes towards the courts as individuals in some respects have enormous opportunities to protect their rights under EU law

To date, a relatively minor share of Estonia's population (7%) have defended their rights directly through the courts. This seems to be partly due to the low case-handling capacity of the courts. There are signs, however, of increasing social activity. Approximately one third of the population are ready to take action in order to protect their rights. An increase in interest in the activities of local government and governmental institutions has also been noted.

The use of case law is also important for harmonisation of EU law. Where there is no clear rule in a legal system, the courts are

[1] Cf. regarding the trustworthiness of other state institutions: http://www.riigikogu.ee/osakonnad/MSI

[2] Cf: Saar Poll public opinion survey: http://www.riigikogu.ee/osakonnad/MSI

called upon to interpret the law. Thus, it is important to have a substantial amount of cases in order that comparisons may be made. Estonia's court system has yet to produce a great number of decisions which is one of the causes of instability in the legal system. In the social sphere this means that a certain amount of legal regulation is missing, which results in weaker abidance of the law and less social stability.

Contradiction between the legal system and social background

Besides people's attitudes and obedience to the law, an important range of issues relates to the actual economic readiness of Estonia to fit in with EU countries. There may arise a conflict between some principles of the EU legal system and Estonia's current situation. For instance, the illegal reprinting or reproduction of copyrighted matter and unlawful distribution of property protected by patent and trademark law goes largely unchallenged in Estonia. Clearly harsher laws and stringent surveillance alone will not yield the desired effects. The situation will improve only when the possession of illegally reproduced matter is considered morally reprehensible and legal merchandise becomes affordable.

Several economists have claimed that Estonia is economically not yet ready to belong to the EU. Expenditures in the social sphere made between 1994–1997 were nearly two times less than in the EU on average. Expenditures made in relation to employment policy were, however, ten times less than in the EU on average (Eamets, 2000). Thus, in light of Euro-integration Estonia should pay much more attention to social sphere expenditures. This pertains also to revenue and tax policy, since changes should be fundamental. A befitting example in this regard is the ratification of the European Social Charter in the Riigikogu (Estonia's parliament). Many key provisions could not be adopted as Estonia can not extend guarantees befitting an EU Member State. In preparing for ratification of the Social Charter, those provisions were excluded which would bring about great additional costs or which Estonia would not be ready to able to fulfil by the deadline for submission of Estonia's first implementation report or which had not been defined by case law.

There is no unified European social security system as such. There are general ideas and principles, on the basis of which a unified social dimension will arise. One upholds the principle of equality (equal pay, equal opportunity to submit one's candidacy), safe working conditions, the principle of free movement, the rights of the working mother, etc. The Nordic model involves regulation of the labour market through strong employers' organisations and unions (80–85% of the labour force is organised in these countries). Regulation is based on collective agreements, not on legislation. The state is passive and does not interfere in negotiations. Nordic countries believe that the state will still assume some responsibility, although agreement between social partners are primary. In Estonia, union affiliation is still extremely unpopular, and agreements between social partners are largely a formality.

Is it possible to establish in Estonia a legal context for the implementation of EU law with the few social and legal guarantees enjoyed by a country in transition? There is a clear difference between Estonia's social-cultural affiliation and the current prevailing economic principles. As Estonia finds its place within Europe, it is becoming ever more vital to ask how Estonia can become European not only in the formulation of its laws but also from the point of view of actual European social guarantees. In Europe, many areas are regulated by good practice or the unwritten law, which is strictly adhered to. In countries under transition these customs are lacking in crucial areas. For instance, Estonian laws do not prohibited usury. In advanced European countries usury is regulated by custom. The courts simply accept a certain rate of interest (*ca* 12%) and contracts where a higher percentage is to be paid in interest are considered usurious.

Actual content of harmonisation of laws

The change in the legal system stemming from Euro-integration has numerous implications. . The following list provides an overview of the changes that Estonia's legislators are currently handling in connection with Estonia's integration with the EU. This list has been composed on the basis of explanatory letters to draft laws submitted to the Riigikogu. According to data

provided by the Euro-integration Bureau, in 2000 (until August) the Riigikogu adopted 24 laws related to Euro-integration (in the previous year there were 51).

- 7 laws are on ratification of international conventions.
- 8 laws are related to specific EU directives, regulations or recommendations.
- 3 laws provide the opportunity to compare Estonia with other European countries. For example, the *Population Register Act* provides for the comparison of national statistics with those of other states which will promote Estonia's integration and the harmonisation of Estonian law with EU law.
- 3 laws help streamline the general social context of Estonia, to make it more European-compatible. These are the *Amended European Social Charter Ratification Act, the Telecommunications Act and the Act to Amend the Republic of Estonia Employment Contracts Act, Employees' Representatives Act, Public Service Act and Individual Labour Dispute Resolution Act.* 3 laws, whose direct link to EU integration is hard to comprehend, however which were defined in the list of laws adopted by the Riigikogu in 2000 as Acts related to European integration. (http://www.eib.ee/uudised/vastuvõetud_seadused_2000.html). For example, the *Digital Signature Act* is undoubtedly a progressive step to optimise the clerical expenses of a small country, but is not yet related to EU requirements.

At the same time, public opinion polls reveal that the Estonian public is rather sceptical about harmonisation of Estonian laws with EU law. Under the opinions barometer held in May 2000, only 36% of people think that Estonia should bring its laws into harmony with EU rules, and 54% believe that Estonia should draft its own laws. Forty percent of the population believes that Estonian politicians are using EU standards for their own personal benefit (SaarPoll, 2000).

Surveys have revealed that over one third of the population consistently believes that the EU's rules and decisions have far too great an impact on the laws adopted in the Riigikogu. This trend has consolidated in recent years. The view that there is no need for harmonisation (and that there is a need to search for a so-called third way) is evidently strongly related to Euro-scepticism in general. The most recent opinion poll found the share of sceptics in the population to be 27%.

The Estonian government should therefore made the public more aware of the real impact of Euro-integration efforts on national legislation. The better informed the people, the more Estonia will benefit from eventual accession to the EU.

References

Eamets, R. (2000). Kõrge lävepakk ja enesekindel Eesti. *Postimees*. 02.07.

Ruutsoo, R. (1998). Kodanikuühiskond, riiklus, õiguskultuur. *Eesti inimarengu aruanne*.

Vihalemm, P. (1998). Integreerudes Euroopasse ja maailma. *Eesti inimarengu aruanne*.

SaarPoll, Baromeeter, mai 2000. Pressikonverentsi materjalid.

1.5. Estonia on the Periphery of the European Union

Today, borders should no longer be conceptualised as static demarcation lines or checkpoints, but in a far wider social-cultural context, where both the boundary-producers and "border-crossers" are active. More often than not they are operating hand in hand, rather than in opposition. In the past decade, Europe has witnessed rather contradictory processes corroborating the above assertion. The fall of the Berlin Wall signified symbolically the removal of the Iron Curtain, the triumph of democracy over totalitarianism, the realisation of the ideals of the nation state. Paradoxically, this led to the rise of new divisions between nations. This newly won sovereignty, freedom and well-being had to be defended, and the European Union had to grapple with a massive influx of people clamouring for political asylum, as well as a surge of international crime.

With the internal borders within the EU eliminated due to the expansion of the EU internal market and the stipulations of the Maastricht Treaty, there exist "outsiders", constituted by third countries, which fall into dif-

ferent categories. For instance, Norway and Switzerland are almost insiders while Morocco, Turkey and Russia are not, as they do not share European values or customs. This gives rise to the question of the external border of the EU after the next round of enlargement. Will the result be an exclusionary Fortress Europe, or will there be close relations with its non-European neighbours? There is no unequivocal answer to this question because of the different stances taken by the Member States in this respect. For instance, Spain has pursued a very rigid immigration policy within the Schengen Agreement, while the Austrian-Hungarian border is much more open. The Hungarian-Rumanian border has also tended to bea transition zone, enabling 1.5 million Transylvanian Hungarians to be reunited with their external homeland, without redrawing the map of that part of the world. In line with this logic, this chapter will examine the Russian-Estonian border as the future external border of the EU. What developments can be foreseen in this regard?

Integration of Estonia in the EU depends largely on two types of variables, which are interpreted, as seen from Brussels, as risk factors increasing instability. These are the situation of the Russian-speaking minority living next door to their external homeland, and the still unsigned border treaty with Russia. In accordance with EU recommendations, the naturalisation of Russian speakers into the fabric of Estonian society has been liberalised, and cross-border cooperation with Russia promoted. Of importance with regard to the contemplated external border of the EU is the orientation of Russian speakers (Western welfare *versus* Eastern cultural links and kinship ties) in general and the specific needs of those living near the border. An entirely separate issue is for example the implementation of the Schengen regime on a border which does not yet exist *de jure*. Neither is it very clear what will befall the Finnish Northern Dimension and the strategy of positive engagement of the north-west region of Russia when Estonia accedes to the EU.

The Russian-speaking minority as a risk factor

Many non-Estonians are disgruntled with their non-citizen status and restricted educational, career and cultural opportunities in Estonia. They have little or no knowledge of Estonian, and consequently are not eligible for Estonian citizenship. As non-citizens, their right to participate in politics and to stand up for their interests is limited. The effective border policy has reduced their contacts with their ethnic homeland (Russia) and their relatives living in Russia. It is also a problem that based on their ethnocultural and political legacy Estonians tend to ascribe certain negative stereotypes to them ("Soviet", "left wing", "colonist", etc). When one also considers Russian political pressure and propaganda attacks targeted at Estonia's minority policy, one can easily obtain a mental picture of a seething fifth column, affecting domestic stability.

This issue has been regarded partly as a construed risk factor and partly as a harsh objective reality in the EU, Council of Europe and OSCE. Yet the mere demographic fact and its legal implications would not create a conflict where there is none. This is not to say that there is no potential for conflict. Discontent notwithstanding, even the predominantly Russian-speaking population of Ida-Virumaa county in north-eastern Estonia where 80% of the total population are non-Estonians, is not aggressive, or separatist (advocating autonomy), or irredentist (advocating the restoration of territories to Russia). Nor do they manifest disloyalty to the central government of Estonia. People want to remain part of Estonian society, to study the official language and to integrate. The expectations of non-Estonians in respect to Euro-integration are greater than those of Estonians. Based on a public opinion poll carried out by EMOR, Estonia's accession to the EU is supported by 65% of non-Estonians and 45% of Estonians (A. Voog, M-L. Liiv "Tundelised eurovõnked hinnaguskaalal", Postimees 26.06.2000). Although the Estonian-Russian demarcation line runs between Narva and Ivangorod, twin cities of the same cultural space, the non-Estonians in Narva do not reject the notion of the border, and are apparently getting used to the new reality.

In the initial years of independence, non-Estonians were viewed suspiciously as a threat to the nation state and territorial integrity. Estonians found it hard to erase the traumatic historical events from their collective memory and considered the geographical vicinity of Russia as a factor increasing instability. The OSCE, Council of Europe and EU, however, do not see the large statistical and regional proportion of minorities in Estonia as a threat. Rather, a threat is perceived in the inadequate regulation of their legal status on the state level, which is

causing discontent. The EU, for its part, does not wish to have anyone nurse doubts about the democratic rules governing the Union and regarding minority rights. Nor are they interested in the importation and subsequent resolution of new problems. Hence the threshold and nature of risk perception are quite different. Estonia will likely adapt its laws and attempt to involve non-Estonians in a multicultural society, however it will not be possible to avoid the translation and cession of some elements of sovereignty to European institutions. International organisations may accept and be placated by amendments to laws, however if integration does not progress and stability diminishes, the political criteria of accession to the EU will be revised or accession postponed.

Control line determining the Schengen visa space

In accordance with the 1994 State Border Act, the current Estonian mainland border with the Russian Federation is a temporary control line. The temporary control line is defined as a continuous imaginary line, separating Estonian territory under Estonian jurisdiction from that part of the territory which is not under Estonian jurisdiction. The latter are territories which following the principle of legal continuity should have been restored to Estonia to which they are historically and ethnically related. Although the preamble of the Estonian Constitution refers to the Estonian-Russian mainland border as the border which existed subsequent to the Tartu Peace Treaty of 1920, reality is not as simple. The Estonian-Russian border negotiations have been completed, the new border agreement has been initialled and the Estonian side is getting ready to demarcate the mainland border, which Russia did in 1994. Yet demarcation has no legal basis as Russia is not ready to sign the treaty. Thus, the temporary control line continues to exist and fulfils all the functions of a state border. There is no direct confrontation in the form of a border dispute, which is not to say that the temporary control line should necessarily become a solid external border for the EU someday.

The geopolitical reasoning accompanying the accession negotiations, with references to Estonia's location neighbouring Russia, involves Estonia actively in the field of internal security in Europe, in particular in fighting illegal immigration and international crime. In this respect, the well-being and safety of Europeans is directly linked to more effective control on the external border of the EU. This has forced Estonia to adapt itself to restrictive measures on the Eastern border under its control. Estonia has agreed to adopt the Schengen regime, in stages, immediately before accession to the EU. Effective defence of borders and efficient control mechanisms are the prerequisite for Estonia's integration with Europe. Undoubtedly, Estonia could meet this condition, however local interests will be somewhat jeopardised. The fully imposed strict visa regime between countries will terminate the simplified border crossing in Narva-Ivangorod and south-eastern Estonia, which will restrict the freedom of movement of local people. For many, the border provides a lucrative source of income because of the differences in prices and wages across the border. The border has helped to create a new type of networking. Those entitled to simplified border crossing (those with the right passport or the right relatives living on the other side) earn rich social capital. The crossborder informal cigarette and vodka trade may become legal and institutional someday, provided that non-governmental organisations on both sides enter into constructive engagement. Thence the lack of enthusiasm on the part of locals regarding the activities of Estonian governmental agencies in border negotiations directed at making border control more effective. Neither is there any certainty that one section of the border of Fortress Europe would be seriously named a 'temporary control line' in the future.

Crossborder cooperation

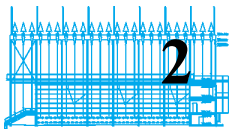
The EU is perceived as the pillar of crossborder cooperation promoting good relations between neighbours and mutually beneficial cultural and economic relations, and involving local and regional actors in higher political levels, thus bolstering European unity. Crossborder cooperation seriously affects the EU pre-accession negotiations with Estonia and other candidate countries. The EU has encouraged the setting up of intergovernmental cooperation bodies and regional and local level crossborder traffic-related joint activities. Such initiatives coming from the grassroots level have often been institutionalised as Euroregions, funded by the INTERREG and PHARE cooperation programs. For Russia and other CIS countries, a similar role is played by the TACIS program. The task of local and regional authorities has

been to facilitate the post-socialist transition to a market economy and to alleviate the economic plight of border area residents. Through such institutional cooperation networks even the remotest backwaters will be interconnected (Finnish-Russian border), the tangible outcome of which will be the growth of stability on the EU external border, which might otherwise be easily vulnerable to negative developments due to chaos across the border. The Northern Dimension has been contemplated for most part as the strategy to keep in check instability and promote cooperation in border areas.

In south-eastern Estonia, Eastern Latvia and the Pskov region, the crossborder cooperation is visualised as an engine of regional development. Notably, 1996 witnessed the setting up of the Crossborder Cooperation Council, with the aim to establish conditions to improve the living standard in the remote settlements, for the free movement of people and for the promotion of commerce and trade. In the longer term the Council envisages setting up a Euroregion and applying for assistance from EU structural funds to implement their plans. To date, the Council has not been able to influence policies on the intergovernmental level, nor Estonian-Russian or Latvian-Russian relations. Still, this is a tangible factor in rapprochement and the search for possible forms of cooperation. Formal bilateral contacts have addressed environmental cooperation, research and training. Estonia's interest has been focused on promotion of local democracy and grassroots initiatives to induce trust and to set up partnerships in mutually beneficial crossborder cooperation. Unfortunately, the Estonian-Russian border issue is still pending. Russian red tape and other risk factors have reappeared. Furthermore, the local and regional levels oppose the enhancement of border controls and the abolition of simplified border crossing. There is a general understanding that compliance with the Schengen rules will have a dilatory effect and retard the progress of cross-border cooperation.

Conclusions

Another round of enlargement of the EU is a serious challenge to the organisation and those countries seeking to join it. It is the border areas where the uneven level of development strikes the eye. The border areas are ripe with new vistas in the promotion of commerce and other spheres of cooperation, but are at the same time hotbeds of illegal activity. For the EU, it is essential that enlargement involve those countries which do not jeopardise the internal stability and welfare of the Union. When domestic integration and minority rights are in compliance with European customs and standards, the dangers are deemed lower. The concentrated location of minorities on the external border of the future EU, which lacks a solid legal foundation, will increase the risks of EU enlargement, however these risks are easy to defuse as a result of two seemingly opposite policies. The first insists on more effective border defence and efficient border control, making the EU external border hard to cross by citizens of third countries, however not making it impenetrable. Implementation of Schengen mechanisms imposes on the Estonian border guard great new responsibilities. It will have to safeguard, among other border countries, the domestic security of the EU. The second policy will affect crossborder cooperation and partnership with the border areas of third countries, which could evolve into interface areas increasing stability. Estonia is a focus of both policies, the tangible outcome of which will be the elimination of simplified border crossing and the planning of a Euroregion to embrace respectively the triangle constituted by south-eastern Estonian, Eastern Latvian and the Pskov region's border areas. Time will tell which party will prevail, whether the boundary-producers or "border-crossers", and whether these seemingly contradictory policies will increase Estonia's Euro-capacity and EU domestic security.



Society and Culture

2.1. The Changing Family in Estonia and Europe

Before World War II, Estonia was regarded as the eastern boundary of the Western European demographic behaviour model (Katus, 1997). This model is foremost characterised by a high proportion of unmarried people in the population, as well as by the higher age at family formation and at the birth of the first child than is usual in the regions to the east of Estonia. During the Soviet period, there were major changes in the timing of family formation. Officially registered marriages took place, and women had their first child at an increasingly earlier stage in life. There were several reasons for this. In addition to the influence of immigrants from regions to the east, i.e. from the areas with different patterns of demographic behaviour, two other important factors should also be mentioned:

- unplanned pregnancy, which was often the result of a lack of sex education and contemporary contraceptives, and was often an incentive for registered marriage;
- under Soviet law, many social benefits were available only to people who were officially married (*e.g.* new apartments, *etc.*). And conversely, in some situations, the rights of those who were not officially married could even be infringed. For instance, after graduating from university, a couple could request to be assigned to work and live in the same location only if they were officially married.

Therefore, it is not especially surprising that in the 1970's and 1980's the process of family formation in Estonia differed significantly from the process in Western Europe. Whereas during those decades in most developed Western countries the mean age of marriage continued to rise, in Estonia, people continued to get married and have their first child at a younger age. The share of married people was also higher in Estonia.

Soviet ideology, according to which every citizen was obligated to have a job, created a situation in which most Estonian families with children were dual-income families. Several sociological studies have revealed that despite the fact that both parents were actively employed, the division of household chores remained very traditional (Kelam, 1999). The husband's primary task was to work outside of the home and take care of the family's material needs. The wife was generally responsible for bringing up the children, for seeing to their education, taking care of the home, and sometimes also taking care of elderly relatives. Soviet legislation favoured the traditional division of gender roles as all possible child care leaves were available only for mothers.

The changes in Estonian fertility behaviour, family patterns and gender roles which accompanied the extensive socio-economic reforms of the 1990's have been quite significant. For the general public, the changes have to a certain extent even been unexpected. Several sociological studies have demonstrated that more emphasis was placed on family values at the end of the 1980's and at the beginning of the 1990's and on the idealisation of traditional family patterns, with a gainfully employed father and a mother devoted to the home. A traditional family was a synonym for a strong family, and there were high hopes that the traditional family would help to restore the vitality of the Estonian nation. Contrary to the expectations of the time, the Estonian family has undergone quite different processes during the last decade. The 1990's can be characterised as follows:

- postponement of marriage and childbirth until a later stage in life than had been customary during the previous decades;
- a decline in the proportion of registered marriages, and a marked increase in the popularity of cohabitation;
- a sharp decline in the birth rate, and an increase in the number of childless households;
- a sharp increase in the percentage of children born out of wedlock;
- a relatively high divorce rate;

- the creation of new types of relations as a result of re-marriage (ex-in-laws, half-relatives, step-parent's relatives, etc.);
- a significant increase in the proportion of single-parent households (in Estonia usually a household headed by a single mother), etc.

In Estonia, attempts have often been made to explain these relatively sudden essential changes in people's demographic and marital behaviour and the problems that these changes have created as the results of the financial difficulties which arose due to the extensive reforms carried out after the restoration of independence. True enough, several studies have shown that the birth of even one child greatly increases a family's risk of falling below the poverty line (Kutsar, Trumm, 1999). It is also true that social benefits for families with children are inadequate, and that women with small children find it hard to compete in the job market. But if one considers the changes which have taken place in family relationships during the last decades in Western European countries, it appears that the processes which took place in Estonia during the 1990's cannot be simply explained by the financial difficulties of a transitional society. Instead we can assume that these changes are part of a general trend which was noticeable in several other European countries already during the 1970's and 1980's. It seems that in Estonia, the analogous processes were just somewhat delayed.

It should be noted that although a drop in the birth rate, the development of a trend towards cohabitation, small families, single-parent households, and an increase in the share of childless persons have, during the previous decades, been characteristic of nearly all European Union member states, it is not possible to speak of a general European family model. Each country's unique social and cultural characteristics have a direct influence on how families react to the social changes which have occurred (Ritamies, 1996; Whitten, 1999). For instance, Nordic marital behaviour and family patterns differ noticeably from those of Central Europe, and especially from those of Catholic Southern Europe.

Using the processes influencing the family as a guideline, in general terms it is possible to distinguish between three groups of countries among the European Union member states. The first group consists of Sweden, Denmark, and Finland, and the non-member countries of Norway and Iceland. In all these countries, women with children play an active role in the labour force, and marriage and childbirth occur at a relatively late stage in life. In these countries, cohabitation and children born out of wedlock are fairly common and socially accepted. Many social changes and demographic processes have first taken place in the Nordic countries.

The second group consists of Central European countries, where trends from the Nordic area are repeated after a certain delay. Southern European countries form the third group, where the social processes affecting the family have taken a somewhat different course than in the rest of Europe.

Since Estonia is regarded as being more or less within the Nordic cultural sphere, it can be assumed that changes affecting the Estonian family should be similar to the processes taking place in the Nordic area, especially since, during the whole post-war period in Estonia, the employment rate of married women and mothers with young children has been fairly high, just as in the Nordic countries. Therefore, the following analysis is generally based on Nordic comparisons.

Family structure

If the Estonian 18–70 year old segment of the population is divided into different family type groups, then at the end of the 1990's, traditional families, couples (officially married or cohabiting) with children, still form the largest group (Figure 2.1).

Figure 2.2 shows that in the 1990's, the most common family type in European Union countries was also a couple (officially married or cohabiting) with minor children. The percentage of these families was the highest in Spain (68%), and the lowest in Great Britain (47%) and Sweden (38%). The latter two were also the only countries in the European Union where the traditional family type comprised less than half of all families. The growth in the percentage of childless couples is explainable by the postponement of parenthood to a later stage in life. Couples live together longer before having children than was customary for young people during the 70's and 80's. At this point, it is still hard to predict how many of these couples will eventually decide to remain childless. It should be noted that despite the high percentage of children born out of wedlock and the high divorce rate, the percentage of single family households in Estonia is lower

FIGURE 2.1.
Family types in Estonia at the end of the 1990's, 18–70 year old population
Source: Population survey "Eesti 98", IISS.

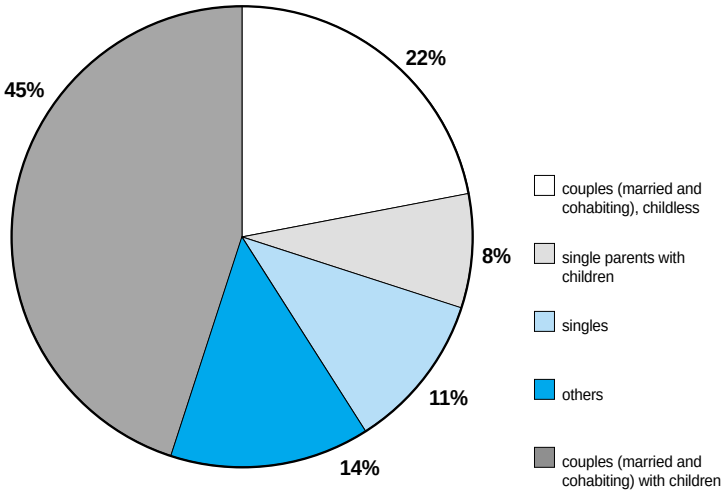
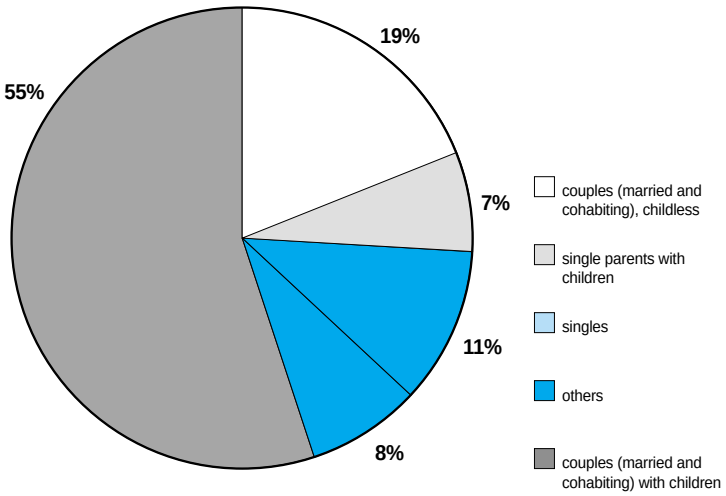


FIGURE 2.2.
Family types in the European Union (15 countries)
Source: Eurooppa raportti: Hyvinvointi ja elinolot, 1999/5.



than in other European countries. This reconfirms the fact that, despite the officially registered high percentage of children born out of wedlock, most of these children are actually born to cohabiting couples.

A comparison of the population surveys "Eesti 93" and "Eesti 98" shows that in the 18–70 year old segment of the population as a whole, the percentage of singles has remained fairly constant during the last decades. According to the survey of 1998, 11% of this population segment lived alone. Of singles, half had never been married, one-quarter were widowed, and the rest were either divorced or separated. The percentage of singles increases in the older age groups, especially among older women. It should be noted, that the percentage of one-member households is larger than the percentage of people living alone. Taking into consideration the Estonian lifestyle, it can be stated that many people who qualify as a one-member household do not actually live alone, but share a living space with the family of an adult child or some other relative. According to the Statistical Office of Estonia, in 1998, one-quarter of all Estonian households were one-member households. In European Union countries, nearly a third are one-member households. In the more southern countries, in comparison with the other areas, the percentage of one-member households is much lower (the lowest in Spain — 13%). In the Nordic countries, however, the percentage is much higher (Finland 32%, Denmark 34%, and Sweden 40%).

The decrease in the percentage of registered marriages

Regardless of whether we speak of people living alone or of one-member households, it is a fact that the majority of the population lives in smaller or larger family units. As previously stated, during the Soviet era, a relatively high percentage of Estonians were officially married. For instance, in 1970, 9.1 marriages were registered in Estonia per 1,000 population. That same year, in the countries which today belong to the European Union, a higher rate of marriage could be found only in Portugal and Holland. During the following decades, there was a drastic drop in the popularity of official marriages in Europe, whereas in Estonia, entering the state of matrimony reached the height of its popularity in 1987. In the 1990's, however, there was a marked drop in the rate of marriage also in Estonia. Already by 1995, Estonia was among the European countries that had the lowest rate of marriage (Table 2.1). For instance, in 1998, only 3.75 marriages were registered per 1000 population. Among the European Union member states, a lower marriage rate could be found only in Sweden.

The other important trend which has been typical of practically all European Union member countries since the 1980's, is the noticeable rise in the age of marriage. For instance, between the years 1980–1995, the average age

of marriage for men rose from 26 to 29, and for women from 23 to 26 (Whitten, 1999). By the end of the 1990's, the highest average age for marriage was in Denmark and Sweden — almost 30 for women, and over 32 for men. In Estonia, the first slight increase in the age of marriage could be detected at the beginning of the 1990's. Despite this, the age remained lower than the average for European Union countries. In 1980, women in Estonia, on the average, got married at the age of 22.6 and men at 24.4 years of age. By 1998, the average ages were 24.3 and 26.5, respectively. Table 2.2 shows that by the end of the 1990's, the average age of marriage in Estonia was about the same as it had been in the countries to the north of Estonia at the beginning of the 1980's. Therefore, in the 1990's, Estonia had, by this indicator, more in common with Portugal than with the Nordic countries.

TABLE 2.1.

The marriage rate (registered marriages per 1000 population) in European Union countries and Estonia

	1970	1980	1990	1995
Austria	7.1	6.2	5.8	5.3
Belgium	7.6	6.7	6.5	5.1
Spain	7.3	5.9	5.7	5.0
Holland	9.5	6.4	6.4	5.3
Ireland	7.0	6.4	5.1	4.3
Italy	7.3	5.7	5.6	4.9
Greece	7.7	6.5	5.8	6.1
Luxembourg	6.4	5.9	6.1	5.1
Portugal	9.4	7.4	7.2	6.6
France	7.8	6.2	5.1	4.4
Sweden	5.4	4.5	4.7	3.8
Germany	7.4	6.3	6.5	5.3
Finland	8.8	6.1	5.0	4.6
Great Britain	8.5	7.4	6.5	5.5
Denmark	7.4	5.2	6.1	6.6
Estonia	**9.1**	**8.8**	**7.5**	**4.7**

Sources: *The European Observatory on National Family Policies; ESA.*

The increasing rate of unregistered cohabitation

Although the rate of official marriages in Europe is decreasing, it does not mean that people are no longer forming couples. Various studies indicate that consensual unions have become a popular alternative to the traditional officially registered marriage. By the mid

TABLE 2.2.

The average age of marriage in European Union countries and Estonia

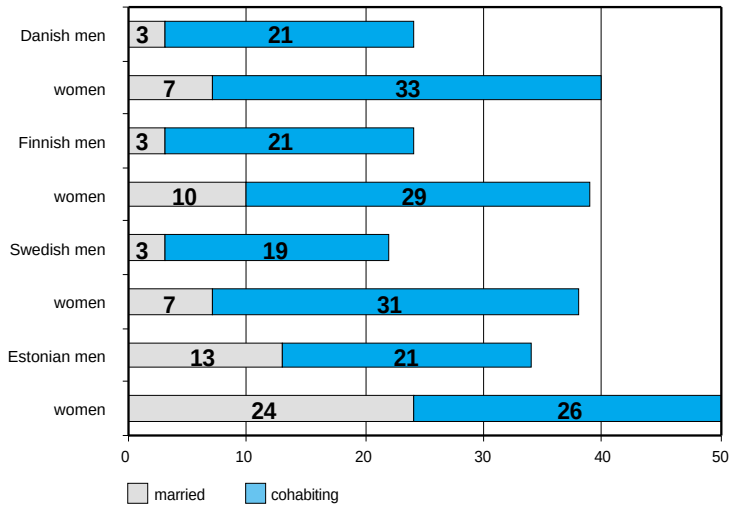
	1980		1990		1998	
	Women	**Men**	**Women**	**Men**	**Women**	**Men**
Austria	22.1	27.4	24.3	26.5	26.8	29.2
Belgium	22.3	24.3	24.3	26.3	26.3	28.5
Spain	23.5	25.9	25.3	27.5	27.4	29.4
Holland	23.1	254	25.9	28.2	28.1	30.4
Ireland	24.1	26.1	28.3	27.8	28.2	30.0
Italy	23.9	27.3	25.6	28.4	27.1	30.0
Greece	22.3	27.2	23.8	28.0	26.1	29.4
Luxembourg	23.0	25.9	25.4	27.3	27.6	29.9
Portugal	23.1	25.4	23.9	26.0	25.3	27.1
France	23.0	25.1	25.6	27.6	28.0	30.0
Sweden	26.4	29.0	25.6	30.2	29.6	32.2
Germany	23.4	26.1	25.9	28.4	28.0	30.6
Finland	24.5	26.5	26.5	28.5	28.1	30.1
Great Britain	…	25.2	25.0	27.2	27.0	29.2
Denmark	24.8	27.5	27.6	30.2	29.9	324
Estonia	**22.6**	**24.4**	**22.5**	**24.6**	**24.3**	**26.5**

Sources: *Women and Men …, 2000.*

FIGURE 2.3.

The share of officially married and cohabiting people at the end of the 1990's, 20 – 24 year old population, %

Sources: Women and men in the Nordic countries, 1999; Population survey "Eesti 98".



1990's, 7% of all couples in Europe were cohabiting. But the differences between countries are noticeable. If in Southern European countries most couples still get married and cohabitation is relatively rare, then in Nordic countries cohabitation is common and socially acceptable. For instance in Denmark, almost one-quarter of all couples live together without the benefit of matrimony. Although cohabitation is generally more popular among the younger generation, there are also noticeable differences between various countries. If in the EU countries an average of 28% of people under 30 are cohabiting, then in Denmark, this rate is close to 70%. But in dominantly Catholic countries like Greece, Spain, Italy, Ireland, and Portugal, only 6–14% of even young couples are not officially married.

Just as in the Nordic countries, the increase in the rate of cohabitation has during the last decade been quite noticeable in Estonia, especially among younger people. If according to the population survey "Eesti 93" 14% of couples were cohabiting, then the 1998 survey showed that already 21% of all couples were not officially married. Among people under 30, in 1993, 21% of couples were cohabiting, but by 1998 this figure had increased to 46% (Figure 2.3).

In the older age groups in Estonia, the cohabitation rate has remained relatively lower and has actually not changed much over the years. Of all the couples over 35, only about 14% are not officially married.

The increasing rate of family dissolution

There has been a great deal of talk about the high number of divorces in Estonia and the explosive increase in divorces during the 1990's. It is actually quite difficult to determine the real number of broken relationships since official statistics only reflect the number of registered divorces without mention of cohabiting couples that have broken up. Thanks to the high rate of re-marriage (in 1998, one in three marriages was a re-marriage), the rate of divorcees in the general population has not changed significantly. The divorce rate peaked in 1995–1996, when the number of divorces surpassed the number of marriages. This phenomena is actually partially explainable. New passports were being issued during this period, in the course of which divorces which the courts had granted at an earlier date were finally officially registered. From 1997 on, the ratio of marriages and divorces has somewhat improved. For instance, in 1999, for every officially registered marriage there were 0.82 divorces.

The increase in childless households

Since the rate of singles has remained fairly stable in Estonia while the birth rate has decreased rapidly (from 2.26 in 1988, to 1.21 in 1998), the percentage of smaller families began to increase in the 1990's (Figure 2.4). Sociological studies have revealed that as the share of smaller families (families with fewer children) has increased, the picture of the ideal family has changed. As late as 1990, young people believed that the ideal family should have three children. By 1996, there was a marked increase in the percentage of those young people who thought that the ideal family should have two children, but were actually interested in raising only one, or even felt that it was not reasonable to have children at all (Kutsar, Tiit, 2000). The increase in the desire to remain childless has also been observed in other European countries (Drew, 1998).

The percentage of children born out of wedlock was quite high already in the 70's and 80's, but in the 1990's the percentage grew rapidly. In 1997, for the first time, more children were born outside of wedlock than with-

in. By 1999, already 54% of children were born outside of officially registered marriages (Statistical Yearbook 2000). Yet the large number of children born out of wedlock does not mean that there has been a boom in single, unmarried mothers. Instead, this is a result of the decrease in the importance of the institution of marriage. Many cohabiting couples no longer find it necessary to officially register their relationship before the birth of a child, as was common twenty years ago.

Estonia's high rate of extramarital births is comparable to those in the Nordic countries. In Sweden, for example, every other child is also born out of wedlock. At the same time, in Southern Europe, an extramarital birth is still generally rare (Table 2.3).

As a result of the increase in the age of marriage and the postponement of childbirth there has been a noticeable decrease in the percentage of teenage mothers in European Union countries. But in Estonia, the percentage of these very young mothers is still high. As late as 1998 almost one-tenth of women giving birth in Estonia were teenagers (Women and Men…, 2000).

The dominant family type: dual-income family

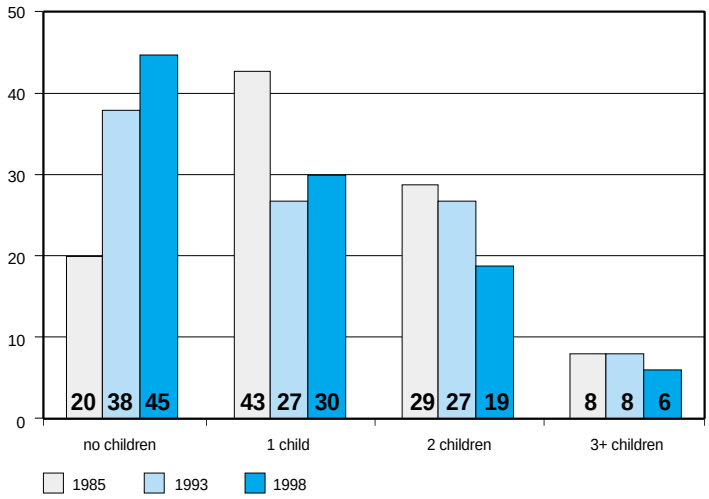
During the whole post-war period, Estonian women have had a fairly high employment rate, so that for a long time the typical Estonian family has had two working parents. But the economic changes of the 1990's caused a drop in the employment rate of women. Nevertheless, it still comes as somewhat of a surprise that the employment rate among women with pre-school children is noticeably higher in the Nordic countries than in Estonia. In Sweden and Finland over 70% of women with children aged 0–6 are actively employed (Women and Men…), while in Estonia the comparable figure is only 53% ("Eesti 98"). If a well- functioning family welfare policy and support system allows women in Nordic countries to often actively return to work when the child is a year old, even if only on a part-time basis, then in Estonia many women use their entire 3 year parental leave.

There are several reasons for this. First of all, the existing kindergarten system is intended mainly for 3–6 year old children. Since a large percentage of women earn fairly low wages, hiring a baby sitter would, in many families, make it pointless for the mother to go to work.

FIGURE 2.4.

Changes in the number of children, women under the age of 35, %

Sources: Population surveys "Eesti 85", "Eesti 93", "Eesti 98".



And since the pension age was raised, many mothers can no longer count on the grandmothers to serve as baby sitters. If in Finland 18% of children in kindergarten are under 3 years of age, then in Estonia, a mother with a child this young finds it very hard to be able to go to work since kindergartens that can handle children of this age no longer exist. There is

TABLE 2.3.

Percentage of children born out of wedlock in European Union countries and Estonia, %

	1980	1990	1995
Austria	18	24	30
Belgium	4	12	19
Spain	4	10	13
Holland	4	11	21
Ireland	5	14	28
Italy	4	7	9
Greece	2	3	4
Luxembourg	6	13	17
Portugal	9	15	20
France	11	30	40
Sweden	40	47	55
Germany	12	15	20
Finland	13	25	37
Great Britain	12	28	38
Denmark	33	46	45
Estonia	**18**	**27**	**52**

Sources. Women and Men in Europe and North America, 2000; ESA.

not enough room in the existing kindergartens for even the 3–6 year olds. In Tallinn, for instance, in the fall of 2000, kindergartens had a year long waiting list.

Secondly, the situation in the Estonian labour market is not very favourable for mothers with young children, and projects that have been developed in European Union countries to make it easier for mothers to go to work such as the family-friendly workplace, are still unheard of in Estonia.

The fact that young mothers are out of active employment for extended periods creates financial difficulties for these families. In addition, it reduces the ability of these women to compete once they do return to the ever-changing job market. This is no doubt one of the reasons why the birth of the first child is postponed, and why many mothers are no longer interested in having a second child.

Despite the fact that staying home with a child can create financial problems, some women are willing to do so out of commitment. Their decision is influenced by traditional family values. The traditional stereotype, that the mother's place is in the home, is still quite prevalent in Estonia. As opposed to the Nordic countries, the traditional division of domestic chores is still very common in Estonia.

Conclusion

It can be said that the present-day Estonian family is a multi-faceted phenomenon with both the elements characteristic to the Nordic countries and to the regions to the east. The basic changes which influenced the Estonian family during the 1990's reflect the processes which took place in Europe twenty years ago. In many respects such as the noticeable increase in cohabitation and the high percentage of children born out of wedlock, Estonia is similar to the Nordic countries. Yet marriage and childbirth at a fairly early age seems to be the direct result of the influence of the Eastern demographic behaviour model. The same can be said about the domestic division of labour.

To improve the general situation of the contemporary Estonian family, an important change should be made in family welfare policy. It should not only be geared to promoting and supporting families with many children. Families with only one or two children also need support, especially in the sphere of reconciliation of work and family. It should not be overlooked that the father is also a parent and should be accorded equal benefits under the various family welfare programs. The media also has a very important role to play in informing the general public about what can and is being done to promote the welfare of the Estonian family.

References

Eurooppa-raportti: Hyvinvointi ja elinolot, 1999/5. Helsinki: Tilastokeskus.

Katus, K. (1997). General trends in population aging in Estonia. *Trames, 3,* Vol 1(51/46), 190–220.

Kelam, A. (1999). Perekond. A. Narusk (Toim.), *Argielu Eestis 1990ndatel aastatel.* Tallinn: Infotrükk.

Kutsar, D. & Trumm, A. (1999). *Vaesuse leevendamisest Eestis: taust ja sihiseaded.* Tartu: TÜ Kirjastus.

Narusk, A. (1996). Gendered outcomes of transition. *Idätutkimus,* 3(3–4), 12–39.

Ritamies, M. (1996). Euroopalainen perhe samankaltaistu? *Elinolot — EU-Raporttisarja*, 4, Tilastokeskus, Helsinki: 24–27.

Whitten, P. (1999). Changing family structures in Europe. *Eurooppa-raportti: Hyvinvointi ja elinolot* 1999/5: 18–21.

Women and Men in Europe and North America. (2000). Geneva: UNECE.

Women and Men in the Nordic Countries. (1999). Nordic Council of Ministers.

2.2. Alcohol Consumption and Drug Use in Estonia and Other European Countries

Problems related to abuse of alcohol as a legal narcotic substance are no novelty to Estonia, but trafficking and abuse of illegal narcotic substances is an innovation. This article provides an overview of use of legal and illegal narcotic substances in Estonia, in comparison with other European countries, with focus on youth.

Use of narcotic substances per age group

The analysis of the results of the survey "Estonia 98" reflecting the use of narcotic substances was carried out on the basis of 2465 questionnaires. Respondents ranged between the ages of 18–70. The respondent body was composed of 66% Estonians, 34% non-Estonians, 46% men and 54% women.

In recent years, the rate of drug consumption and use of illegal narcotic substances has increased, especially in the younger age groups. Out of all 18–24 year-olds, one in six has tried an illegal narcotic substance at least once (17.2%), including one in four males.

Use of narcotic substances

Only ten years ago, procurement of illegal narcotic substances in Estonia was difficult if not impossible. Older people, whose drug use pattern has already been established based on consumption of alcohol, do not usually reorient themselves to new substances. The tendency is the same elsewhere in Europe, i.e. illegal narcotic substances (hemp products — marijuana, hashish, or similar drugs, LSD, cocaine, opiates, etc.) are mainly the domain of the young.

Notwithstanding the strong influx of narcotic substances into Estonia in the 90's, this country has yet to catch up with western countries based on indicators of drug abuse. For instance, there are fewer people in Estonia than in Denmark, Spain or Great Britain who have used cannabis even once in life. We are behind the Nordic countries, too, in this respect. Several post-socialist states however, are on the same level with Estonia, including the former East Germany (3.6%).

Conversely, consumers of ecstasy among Estonia's adult population (0.8%) are briskly outrunning the numbers in Belgium (0.5%) and the former East Germany (0.7%), although they lag behind Great Britain (3.0%) and Spain (2.5%), where the respondents also included 15–17 year-olds. If this last age group were included, Estonia's percentage would soar.

As revealed by the database of the Estonian Foundation for Prevention of Drug Addiction, the number of patients with psychic and behavioural disorders due to alcohol and drug abuse has been increasing since 1995. Persons with a drinking problem dominate among patients with psychic and behavioural disorders caused by the use of psychoactive substances.

FIGURE 2.5.
Share of persons who have tried an illegal narcotic substance at least once (%) per age

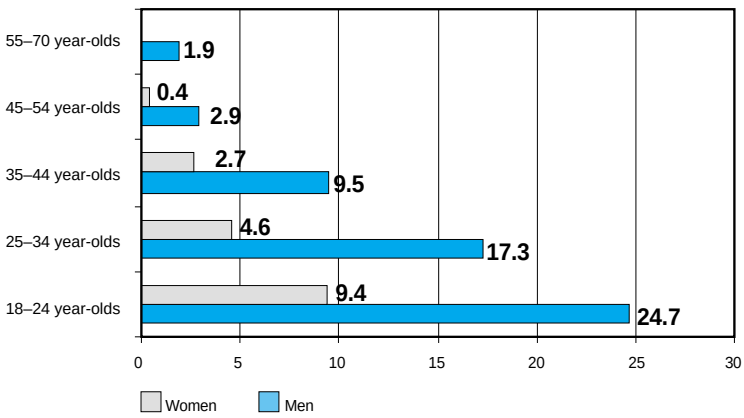


FIGURE 2.6.
Share of persons who have used marijuana / hashish at least once (age of respondents in brackets), %
Source: Annual report on the state of the drugs problem in the EU 1998.

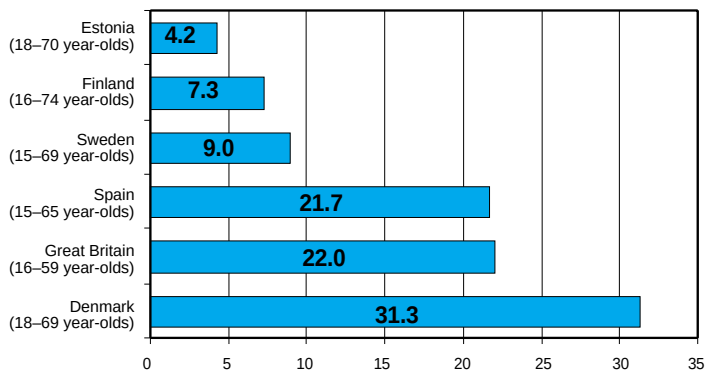


TABLE 2.4.

Patients with psychic and behavioural disorders due to use of psychoactive substances in Estonia in 1995–1998 (per 100 000 residents)

Year	Alcohol	Drugs	Total
1995	553.9	24.5	579.3
1996	610.8	51.6	663.4
1997	653.2	72.6	727.0
1998	657.0	82.2	743.3

Source: *Database of the Estonian Foundation for Prevention of Drug Addiction.*

FIGURE 2.7.

Pattern of alcohol and drug use by Estonian students as compared with the average in all countries, %

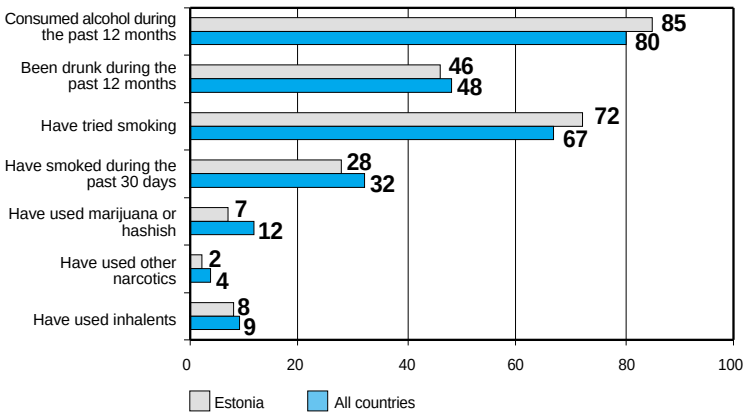
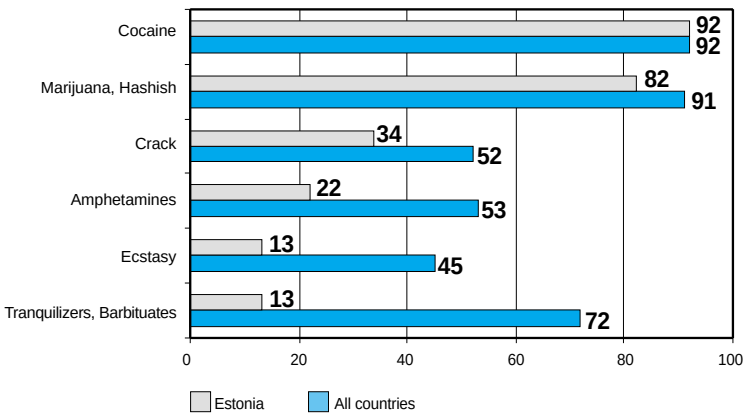


FIGURE 2.8.

School students having heard of various narcotic substances (share of yes-answers as a percentage)



The database of the Estonian Foundation for Prevention of Drug Addiction for health statistics (http://narko.sm.ee/) also reveals that of all people receiving inpatient treatment in psychiatric care facilities in 1998, in 24% the psychic disorders were caused by heavy drinking and in 4% by drug abuse. Standardised mortality coefficients related to incidental alcohol poisoning are higher in women in Estonia than in women in Latvia, Lithuania, Denmark, Finland, Iceland, Norway and Sweden; in men, only Lithuania has a mortality coefficient higher than Estonia's (EUS health statistics, http://narko.sm.ee/).

Abuse of narcotic substances by students

In 1999, Estonia carried out the European School Survey Project on Alcohol and Other Drugs (ESPAD) for the second time. The first survey was held in 1995. To achieve the comparability of data obtained, all participating countries used similar methodology and analogous questionnaires. The survey was carried out simultaneously, and the respondents were 15–16 year old students. In Estonia there were 3034 respondents in 1995 and 3254 in 1999. All of Estonia's schools, both comprehensive and vocational and Estonian and Russian language, were covered.

The outcome of the 1995 Survey reveals that Estonia's students used less illegal drugs at that time and the number of students that had been drunk in the previous year was also lower. There were more than the European average of those who had used alcohol and tobacco.

In many countries involved in the ESPAD survey, illegal substances had been in use for a lengthy period, while in others illegal narcotic substances were a novelty. Knowledge about the various narcotic substances was therefore widely different. In the Western European countries, the youth knew many more varieties of drugs than their counterparts in the countries of the former Eastern bloc. The best known substances (answer to the question "What narcotic substances have you heard of?") in all countries were marijuana, cocaine, and heroin. The majority of Estonian school students had also heard of them. As compared with other countries, in 1995 fewer students in Estonia knew about LSD, amphetamines, ecstasy and tranquillisers.

Relatively few Estonian adolescents knew the health risks related to the use of narcotic substances. This was because in 1995 the public was not yet aware of illegal drugs and infor-

mation on various narcotic substances and their influence was completely lacking.

When comparing the narcotic substance use patterns of 1999 and 1995 in 15–16 year old school students, it can generally be said that all drugs were used in larger quantities in 1999. The differences in data on smoking are minute but still manifest a growing trend. The results for alcohol consumption suggest that there are a growing number of students drinking on a regular basis. The share of school students having ingested hard liqueur more than ten times in their lives has increased from 43% to 55%. There are less teenagers who have never been intoxicated (a drop from 42% to 33%).

Use of illegal narcotic substances is gaining prevalence and becoming common among Estonian youth, as shown in the outcome of the survey. In 1995, only 8% of students had taken an illegal narcotic substance. By 1999, the number had increased to 16%. The share of youth who have used amphetamines at least once has increased at a high rate (from 0.4% to 6,8%) as has the share of students who have tried hemp products (from 7.2% to 12.7%).

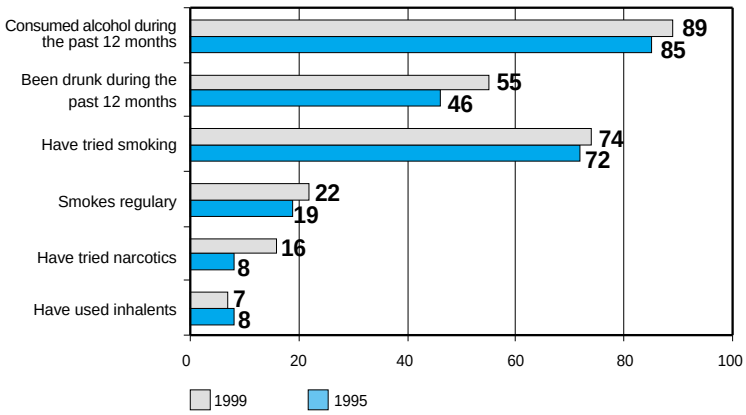
In four years, Estonian adolescents have gained knowledge on narcotic substances. The greatest differences over 1995 concerned LSD, amphetamines and ecstasy. Cocaine, heroin and marijuana were known earlier. These latter substances are "famous" substances, evidently known to the young though movies and literature. Amphetamines and ecstasy are currently in vogue and most students have likely heard of them from their peers and the press.

Friends are usually the ones to provide illegal drugs, and they are used out of curiosity. Common illegal narcotic substances like hemp products and stimulants are easily available according to10–19% of students. Ten percent of respondents think that heroin can also be obtained easily.

As compared to the results of the previous survey, there is now more awareness of the risks associated with drug abuse. Use of amphetamines and ecstasy is now considered of some risk by 90% of students (in 1995 the respective percentages were 60% and 58%). Cocaine and LSD are deemed risky by 91% of respondents (in 1995, 73% and 66%, respectively).

Despite the fact that the use of narcotic substances is considered risky by a majority of school students and that there is heightened awareness of the risks relating to use of legal

FIGURE 2.9.
Use of narcotics by students. Comparison of 1995 and 1999
(% of respondents)



and illegal narcotic substances as compared to the earlier survey, the rate of consumption has not decreased. This can be explained by the sense of adventure which is inherent in young people. Students will gladly overstep social limitations and commit a minor transgressions in search of a thrill. It is also against the law for minors to use legal narcotic substances. Illegal drugs are a chance for Estonia's adolescents to violate taboos. It provides a thrill, but most people misjudge the extent of physical damage cased by narcotic substances. Even when adolescents know the detrimental effects of narcotics use, this need not necessarily reduce the rate of drug use.

Although the use of illegal drugs is on the increase, alcohol remains the most frequently consumed narcotic substance. Alcohol is illegal, too, if used by adolescents who are below the legal drinking age, or if illicitly distilled or illegally imported. Similar tendencies are witnessed in other European countries as well. Alcohol and alcohol-related issues are much more significant than those arising from illegal drug use. Alcohol use usually starts when a person is underage. And yet, there are, for the time being, fewer 15-16 year old school students who have enjoyed illegal substances than in the European countries on average.

Influence of friends and consumption cultures

During puberty the home loses its importance and it is the opinion of peers that matters most. The attitude of an adolescent concerning narcotic substances depends largely on the

attitudes of his/her friends. Earlier studies have revealed that the consumption by teenagers of narcotic substances is strongly related to affiliation to groups of peers and their narcotic substance consumption patterns (Caldwell, Darling, 1999; Duncan et al, 1998; Narusk, 1996; Dawes et al, 1999). For example, the influence of peers is greater than parental monitoring among groups where the consumption of large quantities of narcotic substances is common (Fletcher, Darling, Steinberg, 1995).

The results of the survey "Student 99" show that students whose friends all or prevailingly use a narcotic substance usually use the same narcotic substance. Of adolescents whose friends all smoke and often drink until they are intoxicated, 75% are regular smokers and drinkers. Illegal narcotic substance consumption as a marginal activity in society is particularly conditional of the company the young person keeps. As revealed by answers given to questions on how drugs are obtained and why they are used, illegal drugs are obtained from friends and consumed, too often, in order to fit in. Among adolescents whose friends smoke hemp (0.8% of the general sample), 88.5% have smoked it themselves. Among those whose friends use amphetamines (0.3% of the general sample), 100% have tried them themselves.

For narcotic substance use patterns, several indicators are important. These indicators break down roughly into three groups. First, the drug used. Some substances do not create a physical dependence, while some of them, opiates in particular, create a physical dependence very rapidly. Secondly, there is the personality, attitudes and opinions of the user. Thirdly, there is the social environment. The group which uses narcotic substances collectively plays a significant role. The morals, patterns of behaviour and purpose for using narcotic substances determines how they will be used. The way the individual uses a narcotic substance is affected by the consumption patters of his/her friends and acquaintances (Zinberg, 1984).

Groups of narcotic substance users

Narcotic substance users are different. It would be simplest to draw a line between recreational users and addicts to begin with, but the actual situation is much more complex. The recreational user can be an experimenter, rare or occasional user, or have spells of intensive use. Still, there is no predicting the eventual outcome of such a pattern of use, which may develop into a psychological dependence on a habit-forming drug.

Recreational narcotic substance c onsumption in the rave culture

Recreational users do not constitute a homogenous culture, but a number of various groups which tend to use several different drugs, with preference for one. In Estonia there are yuppies who prefer cocaine, young bohemians (writers, people living an unconventional lifestyle) whose major vice is hemp, and clubgoers who tend to use the so-called rave drugs (the best known among them being ecstasy). This last group is the largest both in Estonia and elsewhere in Europe.

The international youth culture is hedonistic. During a certain period, partying and using narcotic substances becomes part of life for many young people. In Estonia, mainly controlled narcotic substances are used in the rave culture context. As claimed by rave youth, drugs have to be ingested "with style", meaning that the use of a substance should not entail problems. While use of drugs is accepted in the rave environment, dependence on a substance is considered reprehensible. It is understood that a person should be able to have a good time without drugs. For rave fans, narcotic substances serve a recreational function: they are used when partying only, and are dissociated from daily life. Certain values regulate use: narcotic substances are not to interfere with mainstream life, studies or work. The borderline that no one here crosses is use of a needle: if you use drugs intravenously, you are an addict. No one in the club culture considers himself or herself to be an addict. And yet, the club culture can easily pave the way to addiction, by introducing a person to drugs who later (due to personal attributes) begins to abuse them (Allaste, 1998). The progression from a weekend user to an everyday user takes time. Drugs no longer serve as a relaxant and the user starts to take drugs even when at work.

Amphetamine users

In Estonia, there is also a distinctive subculture of intravenous amphetamine users. Amphetamine addicts believe that the drug enhances

their creative ability, and helps them to work, think and relate. They need the drug daily to cope and function. They define themselves differently than the club subculture in that they acknowledge that they are addicts. Intravenous amphetamine users include people of different backgrounds and different stages of addiction. Some of them have managed to preserve an air of respectability and exert a certain amount of control over their use. Most, however, are problematic personalities. It is to be conceded, however, that they are not usually involved in crime such as theft, at least not at the rate of heroin addicts.

Opiates abusers

Opiate abusers are the worst problem group among users. The EUS drug addict treatment database shows that their typical patient is a 20–25 year old Russian-speaking male from Tallinn or the county of Ida-Virumaa who has used opiates intravenously for a couple years. The first illegal narcotic substance he used was hemp or opium poppy juice. Heroin has been introduced to Estonia only recently. Previously, the most common form of opiate use was the infusion of home-made poppy juice.

Intravenous heroin (and other opiates) users usually have a criminal record or are associated with the criminal subculture. Heroin addicts are able to sustain enormous doses of heroin and other opiates, exceeding the first doses by a hundred times or more. /…/ Their tolerance to opiates is extraordinary as compared to other addictive substances, whose dose may rise to 10–20 times (Ahtee et al, 1998: 135). The amount of money needed to procure a daily dose increases together with tolerance, and amounts to several thousands kroons per day. A person making an honest living can afford this kind of lifestyle, and as a result most addicts turn to theft and robbery. In addition, continually in a daze, heroin addicts are unable to function normally and their daily routine of work or study is abandoned. The majority of long term addicts never work and earn their living through crime

These three groups involve completely different people with different problems. Rave enthusiasts are not socially problematic, but they may have narcotic substance-related problems on a personal level. Amphetamine users are socially more problematic, and heroin addicts are extremely problematic. While transition from one group to another is not ruled out, this is not the prevalent pattern.

Gender related differences

In comparison with Western European countries, there are more gender-related differences in drug use in Estonia. In Estonia the traditional gender roles have been retained to a greater degree. Women and girls use substances more rarely and in smaller quantities, and they are more critical in respect of questions related to narcotic substances, etc. The only exception is wine, which females consume more than males. (Allaste, 2000). In Estonia, wine is considered a so-called lady's drink.

According to the survey, four times more men than women have taken an illegal narcotic substance (11.5% and 2.8%, respectively). ESPAD 1999 data show that illegal drugs have been used by 21% of boys and 12% of 5–16 year old girls. In the years 1998–1999, the ratio of men to women among patients admitted for inpatient treatment for heroin addiction was 6:1, intravenous addiction 6:1, and amphetamine addiction 3:1 (Kalikova, 2000; Kariis etc. 1999).

The rates of use are similar in respect of traditional narcotic substances, alcohol and tobacco. According to 1999 ESPAD data (Allaste, 2000), in the previous 12 months, 22% of 15–16 year old girls and nearly twice as many boys, 37%, had been intoxicated at least three times. Among regular smokers, the difference is more than double.

The mortality coefficients from alcohol poisoning (1996 data, the Estonian Foundation for Prevention of Drug Addiction) are 27.0 for men and 8.4 for women. The liver cirrhosis mortality coefficients were respectively 15.8 and 7.1.

In Western Europe there was a much smaller difference or no difference at all between the drug use of girls and boys according to ESPAD data, and in some countries girls were even apt to use drugs than boys.

Ethnic affiliation and gender as factors affecting narcotic substance related behaviour

Besides gender-related differences, there are also ethnic-related differences associated with illegal narcotic substance use evident in Estonia. There are no great ethnic differences

related to alcoholism, however among the drug addicts admitted for treatment in 1999, 80% were Russians and 14% Estonians (Kariis et al, 1999). Nelli Kalikova of the AIDS Prevention Center claims that 98% of intravenous drug addicts are Russian-speaking (Kalikova, 2000).

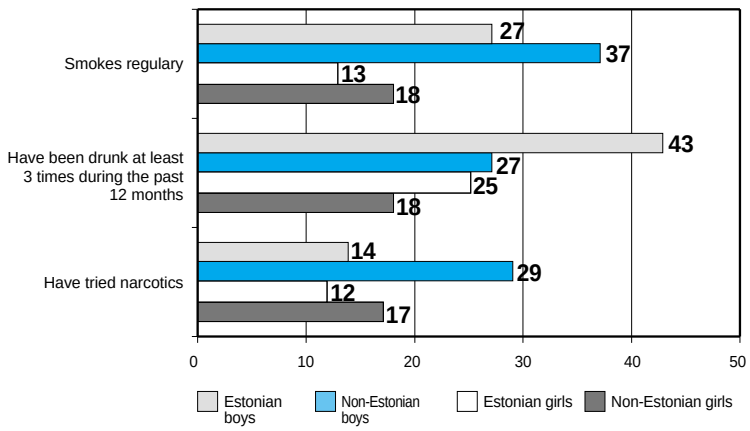
When gender and ethnic affiliation are regarded together, the ESPAD 1999 data reveal that boys of both ethnic groups use all drugs more often than girls do. However, Estonian boys prefer alcohol (almost half of them had been drunk at least three times in the previous 12 months), while non-Estonian boys lead in smoking regularly and having tried illegal drugs. The trend is similar among girls. (Hammer-Pratka, 2000).

The number of regular smokers and users of illegal narcotics is highest among non-Estonian boys. Estonian boys are overwhelmingly in the lead among respondents who had been drunk at least three times in the previous 12 months.

More non-Estonian girls are regular smokers and have tried drugs than Estonian girls, but more Estonian girls had been drunk more than three times in the previous 12 months.

Almost twice as many Estonian boys had been drunk at three times in the previous 12 months and are regular smokers than girls. The difference is smaller with regard to having tried illegal narcotic substances but they have been tried by less girls than boys. Non-Estonian boys use both illegal drugs and legal drugs much more often than non-Estonian girls.

FIGURE 2.10.
Use by 15–16 years-old school students of narcotic substances per gender and ethnic affiliation



Regional differences in narcotic substance use

The activity of use of legal narcotic substances was assessed in the ESPAD survey by the share of regular smokers and youths who had been drunk at least three times in the previous 12 months in different regions. No clear patterns emerged with regard to alcohol consumption that would differentiate towns and rural settlements or various larger regions. The highest rate for having been intoxicated at least three times during the previous 12 months was found in 15–16 year old students from the county of Järvamaa. Järvamaa students were followed in 1999 by Tallinn and Pärnumaa students, and then by adolescents of the county of Ida-Virumaa and the city of Tartu. Almost everywhere, drinking had increased over 1995, although it had decreased in the county of Võrumaa and the town of Kohtla-Järve.

Smoking had gained more than average popularity in the county of Ida-Virumaa, both in towns and rural areas. According to the 1999 survey, the number of regular smokers is the largest in Kohtla-Järve (34%), Narva (32%) and Ida-Virumaa (27%).

Clear trends are emerging in illegal narcotic substance use: narcotics are used mostly in large towns, primarily in Tallinn and the towns of Ida-Virumaa. One in four 15–16 year old Kohtla-Järve students and nearly the same number of students in Sillamäe, Narva and Tallinn have taken illegal drugs. The smallest share of students who have tried drugs is found in the counties of Järvamaa and Võrumaa, but even there their numbers have increased almost twofold over 1995.

The outcome of the survey does not reflect the share of problem drug addicts among students, but provides instead an overview of adolescents who have (mostly due to curiosity) dabbled in narcotic substances once or twice. Trying a drug does not yet an addict make, but the majority of drug addicts have started out of curiosity. Young people are effected by their environment and the region in which they live.

Although the share of students who have experimented with drugs is almost equal in Tallinn and the towns of Ida-Virumaa, the situation in those regions is different. Almost all get into drugs for fun, together with friends, or at a party. In Tallinn, narcotic substance use tends to remain within the limits of recreation-

al consumption and club life (rave drugs), and even in the worst cases (where the teenager may acquire a pattern of drug abuse), substances are used at parties and the taboos accepted in the given environment are observed. In Ida-Virumaa, however, the most popular drugs are opiates. In such an environment it is more likely that a young person who tries a narcotic substance out of curiosity will progress quickly to the worst habit, intravenous use of opiates.

Narcotic substance use: history and prospects

Narcotic substance use is explained by the need to reduce stress, induced by life in a market economy with rationalised values. However, besides the official rationalised values, society always has hidden values. From times immemorial there have been institutionalised periods when the values contradicting everyday norms reign supreme: holidays and feasts; in ancient times saturnalias (festivals of Saturn in ancient Rome, beginning on December 17, observed as a time of general and unrestrained merrymaking; also unrestrained licentious celebrations), in the Middle Age carnivals (periods of merrymaking before Lent, especially in Roman Catholic countries). During these times, behaviour that runs contrary to everyday behaviour is accepted. People seek adventure and ecstasy, as opposed to everyday values (security, safety, routine etc.) (Young, 1971). Moderate consumption of legal narcotic substance alleviates everyday stress. However, heavy alcohol consumption and use of illegal narcotic substances tend to become a means and an end to some groups. They either negate the generally recognised rational social values (e.g. bohemians), or lack the ability to achieve those values (socially marginal groups of people who have been deprived of material and spiritual resources). In these groups, the danger of becoming a problem drug addict is the greatest.

While in Western Europe adolescents who rebel against the existent material values are also at risk, in Estonia the danger of becoming a drug addict is faced foremost by socially marginal youth. The most problematic narcotic substance use — heroin abuse — is most popular in Ida-Virumaa, where the number of unemployed is the highest and the standard of living the lowest. Narcotic substance use is not only the root cause of the problem, but also its result. To reduce the problems related to narcotic substance use, the living environment of socially marginal youth needs to be improved as a whole. On the other hand measures must be taken so that those who are experimenting today do not become drug abusers tomorrow, and that the number of those who experiment with drugs does not rise. Drug prevention through education and providing alternative recreational activities play a crucial role here.

Today, fewer young people experiment with illegal narcotic substances in Estonia than in Western Europe. Since there is little hope of diminishing the share of youth who want to try drugs, prevention should aim to reduce the emergence of new problem drug addicts.

References

Ahtee, L. (2000). Opioidid ja kannabinoidid. M. Salaspuro, K. Kiianmaa, K. Seppä (Toim.), *Narkoloogia* (lk 132–137). Tallinn: AS Medicina.

Allaste, A.-A. (1998). *Reivikultuur Eestis*. Diplomitöö, Tallinn: Eesti Humanitaarinstituut. http://www.ehi.ee/ehi/oppetool/lopetajad/allaste/10.html

Allaste, A.-A.(ed.) (2000). *Uimastite levik noorsoo hulgas*. Tallinn: Akadeemia Trükk.

Barnes, G. M. (1990). Impact of the family on adolescent drinking patterns. In R. L. Collins, K. E. Leonard, & J. S. Searles (Eds.), *Alcohol and the family: Research and clinical perspectives* (pp. 137–161). New York: Guilford.

Barnes, G. M., Farrell, M. P., & Dintcheff, B. A. (1997). Family socialization effects on alcohol abuse and related problem behaviors among male and female adolescents. In R. W. Wilsnack, & S. C. Wilsnack (Eds.), *Gender and Alcohol: individual and social perspectives* (pp. 156–175). New Brunswick, NJ: Rutgers Center of Alcohol Studies.

Barnes, G. M., & Windle, M. (1987). Family factors in adolescent alcohol and drug abuse. *Pediatrician — International Journal of Child and Adolescent Health, 14*, 13–18.

Caldwell, L.L., & Darling, N. (1999). Leisure context, parental control, and resistance to peer pressure as predictors of adolescent partying and substance use: an ecological perspective. *Journal of Leisure Research, 31* (1), 57–78.

Dawes, M., Clark, D., Moss, H., Kirisci, L., & Tarter, R. (1999). Family and peer correlates of behavioral self-regulation in boys at risk for substance abuse. *American Journal of Drug and Alcohol Abuse,* 25 (2), 219–237.

Dishion, T. J., Duncan, T. E., Eddy, M., Fagot, B., & Fetrow, R. (1994). The world of parent and peers: Coersive exchanges and children's social adaptation. *Social Development,* 3, 255–268.

Duncan, S. C., Duncan, T. E, Biglan, A. & Ary, D. (1998). Contributions of the social context to the development of adolescent substance use: a multivariate latent growth modeling approach. *Drug and Alcohol Dependence, 50,* 57–71.

Elkind, D. (1985). Cognitive development and adolescent disabilities. *Journal of Adolescent Health Care, 6,* 84–93.

Fletcher, A., Darling, N, & Steinberg, L. (1995). Parental monitoring ad peer influences on adolescent substance use. In J. McCord (Ed.) *Coercion and punishment in long-term perspectives* (pp. 259–271). New York: Cambridge University Press.

Greeley, A.M., McCready, W., & Theisen, G. (1980). *Ethnic Drinking Subcultures.* New York: Praeger.

Hammer-Pratka, K. (2000). Rahvuslikud erisused. (Ethnic differences) In Allaste, A.-A. (Ed.), *Uimastite levik noorsoo hulgas* (p 52). Tallinn: Akadeemia Trükk.

Hirschi, T. (1969). *Causes of delinquency.* Berkley, CA: University of California Press.

Hundleby, J. D., & Mercer, G. W. (1987). Family and friends as social environments and their relationship to young adolescents' use of alcohol, tobacco, and marijuana. *Journal of Marriage and the Family, 49,* 151–164.

Jacob, T., & Leonard, K. (1994). Family and peer influences in the development of adolescent alcohol abuse. In *The development of alcohol problems: Exploring the biopsychosocial matrix of risk* (NIAAA Research Monograph No. 26; NIH Publication No. 94–3495). Rockville, MD: National Institutes of Health.

Kalikova, N. (2000). *Intravenous drug users. An epidemiological overview.* Unpublished report. Tallinn: AIDS Prevention Center.

Kariis, T., Malbe, R., Allaste, A.-A., Ahven, A., Jänes, V., Paimre, M., & Lannes, S. (1999). *Summary Report on the National Drug Situation in Estonia.* (Information For The EMCDDA's 2000 Annual Report), Tallinn: Estonian Foundation for Prevention of Drug Addiction.

Knibbe, R. A. (1998). Determinants of young people's alcohol and tobacco consumption: a cohort study. *Addiction Research Institute (IVO) Annual Report 1998.* Netherlands: IVO.

Morgan, M, Hibell, B., Andersson, B., Bjarnason, T., Kokkevi, A., & Narusk, A. (1999). The ESPAD Study: implications for prevention. *Drugs: education, prevention and policy, 6* (2), 243–256.

Narusk, A. (1988). *Pered, kus kasvavad teismelised.* Tallinn: Valgus.

Narusk, A. (1991). Transmission of drinking habits within the family. *Contemporary Drug Problems,* 4, 645–671.

Narusk, A. (1996). *Noored ja uimastid.* Tallinn: Akadeemia Trükk.

Narusk, A (1999) Argielu Eestis. Tallinn: A/S Infotrükk

Peele, S. (1987). What can we expect from treatment of adolescent drug and alcohol abuse? *Pediatrician,* 14, 62–69.

Zinberg, N. (1984). *Drug, Set and Setting.* New Haven: Yale University Press.

Young, J. (1971). *The drugtakers: the social meaning of drug use.* London: Paladin.

2.3. Homicide Rates in Estonia and Europe

Introduction

This article takes a look at the rate of violent crime in Estonia, as compared with other European states. The empirical information upon which this analysis is based deals with the most important category of criminal homicide, intentional homicide[1]. The aim is to eval-

[1] Concerning the problems connected with the legal qualification of homicides in Estonia, q.v. Saar, Jüri, (2000). *Kriminaalkorras karistatavate ja õiguspäraste surmamiste regulatsioon Eestis võrrelduna Ameerika Ühendriikidega ja Saksamaa õigusega.* Juridica, Vol. 8, No. 1, pp. 14–26.

uate the rate of intentional homicides in Estonia, as compared with other countries, and to highlight the factors which have influenced this development.

In the process of evaluating crime and making international comparisons, more and more doubt has been placed, after World War II, on the reliability of statistics based upon officially registered crimes. Court and police statistics are far too influenced by the peculiarities of a specific country's record keeping and law enforcement institutions. Currently the symptomatic interpretation of general crime rates is used more to evaluate the activity of a specific criminal justice system (Kangaspuntra, 1995). Therefore, when making decisions connected with crime control policy, efforts have been made to find more adequate indicators, and types of crime which would have the least of these drawbacks.

Intentional homicide is a crime that fills this requirement. In criminology, it is categorised as a *mala en se (per se)* [2] type violent crime, which is characterised by the fact that it is relatively independent of legislators' preconceived intentions and of governmental statistical manipulations. It also has a low registration latency and a high rate of being solved. Therefore, intentional homicides, as opposed to general figures concerning registered crimes, are often used in criminology as the yardstick by which the crime rates of different countries are compared. The intentional homicide rate is now used not only in criminology, but also in more general sociological studies, in which this category of crime is used to evaluate a country's actual crime rate and the level of public safety, and for making comparisons between different countries (q.v. Human Development Report, 1999).

Homicide statistics in Estonia

Criminal homicides in Estonia are recorded in two different agencies: in the police statistics of registered crimes and in the Justice Ministry's court statistics. A second source of homicide data are medical cause-of-death statistics that are drawn from files of medical examiners. The police and court statistics deal with the crimes and the perpetrators of the crimes, while the violent death statistics deal with the victims of crime.

In Estonian crime statistics, which are compiled according to maxims which have changed very little since the Soviet era, intentional homicides are listed separately[3]. This category includes the following crimes: EV KrK § 100 (so-called simple murder), § 101 (murder with aggravating circumstances), § 102 (infanticide by the mother), and § 103 (killing under sudden and intense passion). One type of homicide is statistically not included in this category — EV KrK § 104 (excessive self-defence resulting in homicide).

Another important point concerning Estonian homicide statistics is the fact that completed homicides and attempted homicides are listed together, which is based upon the legislative logic that both attempted and completed homicides are prosecuted on the basis of the same statute. The percentage of attempted homicides, in the total figures concerning homicide, varies greatly in the different homicide sub-categories. At the same time, it should be kept in mind that quite often it is difficult to objectively differentiate between an attempted homicide and an aggravated assault. As comparisons between various judicial systems have shown, some countries prefer to classify violent crimes in which the victim remains alive as attempted homicides, whereas other countries classify them as aggravated assaults. Therefore, the ratio of attempted and completed homicides, in the final homicide figures, can vary greatly from country to country[4]. In some countries (e.g. United States), attempted homicides are not included, and homicide statistics reflect only completed homicides.

Estonian crime statistics do not list aggravated assaults resulting in death as intentional homicides (EV KrK clause 107 (2) 1)), which, considering the similarity in motivation and

[2] According to R. Garofalo's categorisation, crimes can be classified as either "natural" *(mala en see)*, or "artificial" *(mala prohibita)*. The former are universal crimes, since they conflict with man's altruistic feelings, whereas the latter actions have been criminalized in connection with specific state interests. True criminals, according to Garofalo, are only those individuals who commit "natural" crimes.

[3] This is primarily due to the fact that the Republic of Estonia's criminal code concerning homicide is practically identical with the ESSR's corresponding criminal code.

[4] Regarding the comparison of Estonia's and Finland's rules of classification , q.v. M. Lehti. (1998). Tahtlikud tapmised Eestis 1990ndatel aastatel. Sisekaitseakadeemia. Tallinn, pp. 11–12.

end result of this type of crime is quite problematic[5]. At the same time, as long-term statistics demonstrate, the figures concerning both attempted homicides and aggravated assaults resulting in death are almost identical, thereby essentially justifying the aforementioned statistical practice. Since the adding of attempted homicides to completed homicides seems to increase the final figures concerning homicide, and leaving out aggravated assaults resulting in death seems to just about equally reduce these figures, then the summary total of intentional homicides, as reflected in Estonian statistics, can be regarded as being fairly accurate.

International criminal homicide statistics

Comparative international data concerning criminal homicide which has been compiled primarily by international organisations can be obtained from various sources. In this data, the homicide rates are based upon the number of intentional homicides per 100,000 inhabitants.

- The United Nations (UN) has been compiling data concerning member nations' crime, including homicide, rates since 1946. In 1974 the UN began a series of studies about crime trends and criminal justice systems. The first one covered the period 1970–1975 and encompassed 56 member countries. The latest, or fifth study, covers the period 1990–1994, and includes, among other things, data concerning the intentional homicide rates of 65 countries. In this study, an intentional homicide is defined as a death which has been intentionally caused by another person, including infanticide and attempted homicide (q.v. Kangaspunta, Joutsen & Ollus, 1998).
- Since 1950, INTERPOL has been compiling and publishing crime data which has been obtained from national police forces. In this case, criminal homicide is defined as an act which has been committed with the aim of taking another person's life, irrelevant of the circumstances. These statistics include infanticide, but not necessarily attempted homicide. Not all INTERPOL member countries make their crime data available, and the number of countries which have made their crime data available varies greatly from one period to another (q.v. Riedel, 1999).
- One of the best sources for crime data are the World Health Organization (WHO) statistics about the causes of death, which have been compiled since 1948. The WHO defines homicide as a death which has been brought about by injuries intentionally caused by others. The WHO statistics differ considerably from the two above, since they do not deal with the crimes themselves, but with the victims of the crimes. This data encompasses all homicide victims, irrelevant of how the incident has been classified by the country's criminal code[6].
- The newest international crime statistics, which also deal with Estonian data, were compiled by the Council of Europe and encompass all European countries. The Council's European Committee on Crime Problems formed a group of experts in 1996, which compiled data dealing with the years 1990–1996. As opposed to UN and INTERPOL methodology by which data is obtained from various countries based upon standard crime classifications, this study's data was submitted by a network of correspondents from the different countries, who tried to make the countries' data easy to compare. The standard definition of intentional homicide (intentional killing of another person) was expanded to include aggravated assault resulting in death, euthanasia, the assisting of suicide, and infanticide[7].

It is easier to do international comparisons of intentional homicide data, than of data concerning other types of crime. At the same time, it is of course impossible to know about, and take into consideration, all the nuances in the different countries' data resulting from the

[5] In this regard, Estonia is no exception. In the Finnish criminal code, for instance, there is an analogous classification of fight or attack in which several persons have participated a person is killed does not qualify as an intentional homicide (q.v. The Penal Code of Finland and the Decree on the Enforcement of the Penal Code. Unauthorised Draft Translation, translated by Matti Joutsen, 1983. Research Institute Of Legal Policy, Helsinki, p. 71.

[6] Q.v. e.g. United Nations Demographic Yearbook 1997. Forty-Ninth Issue. (1999). United Nations, New York, pp. 450–470.

[7] Q.v. European Sourcebook of Crime and Criminal Justice Statistics. European Committee on Crime Problems. Directorate General I, Legal Affairs, Strasbourg Oct. 1999, p. 17.

peculiarities of the crime classification systems in the various countries[8].

Intentional homicides in Estonia

The Estonian homicide rates of the 1990s have attracted attention abroad. For instance, in the UN annual statistical report which deals with general trends in Europe and North America, special attention is paid to the fact that two countries have exceptionally high criminal homicide rates. These are Russia and Estonia, where the number of intentional homicides per 100,000 inhabitants is over 20, and where the intentional homicide rate had more than doubled between the years 1990 and 1994[9].

The 1999 UN Human Development Report shows the 1994 statistics concerning intentional homicides. Estonia was then in seventh place, two places higher than Russia. The only nations with higher intentional homicide rates were exotic third world countries like Sao Tome and Principe, Bahamas, Colombia, Lesotho, Guatemala, and Jamaica (q.v. Table 2.5) (Human Development Report, 1999).

Estonia also has a higher homicide victimisation rate (number of victims of homicides per 100,000) than developed countries. In the list of the 15 countries with the highest victimisation rates in the world, Estonia was in fourth place in 1994. Only three countries had higher victimisation rates than Estonia: Colombia, Russia, and El Salvador. By 1997, Estonia's position had improved somewhat — in addition to the three aforementioned countries, Armenia and Puerto Rico now also had higher victimisation rates than Estonia (q.v. Tables 2.6, 2.7).

Since the majority of European countries, in comparison with the rest of the world, are typified by low homicide rates, then Estonia has a strikingly high homicide rate. According to the Council of Europe study, the Estonian intentional homicide rate (including attempted homicides) is, along with Albania's, about the third or fourth highest in Europe. A higher

TABLE 2.5.

The homicide victimisation rates per 100, 000 inhabitants in various countries (1994)

Place on the list	Year	Country	Victims per 100 000 inhabitants
1	1991	Colombia	89.6
2	1993	Russia	30.3
3	1990	El Salvador	28.1
4	**1993**	**Estonia**	**25.8**
5	1992	Armenia	25.3
6	1993	Latvia	24.7
7	1992	Puerto Rico	23.8
8	1989	Brazil	20.2
9	1992	Mexico	18.5
10	1993	Kazakhstan	17.6
11	1990	Kyrgyzstan	13.9
12	1993	Lithuania	12.5
13	1989	Venezuela	12.1
14	1992	Ukraine	11.3
15	1992	Singapore	11.2

Source: Demographic Yearbook of the United Nations 1994 (1996). pp. 445–465.

TABLE 2.6.

The homicide victimization rates per 100, 000 inhabitants in various countries (1997)

Place on the list	Year	Country	Victims per 100 000 inhabitants
1	1994	Colombia	80.0
2	1991	El Salvador	27.4
3	1996	Russia	26.5
4	1992	Armenia	25.3
5	1992	Puerto Rico	23.8
6	**1996**	**Estonia**	**19.9**
7	1992	Brazil	19.0
8	1996	Kazakhstan	18.8
9	1995	Mexico	17.2
10-11	1996	Moldova	16.9
10-11	1997	Hungary	16.9
12	1997	Czech Republic	15.4
13	1996	Latvia	15.3
14	1995	Ecuador	13.4
15	1996	Kyrgyzstan	10.9

Source: Demographic Yearbook of United Nations 1997 (1999). pp. 450–470.

[8] One problem is the fact that in some statistical reports homicides and attempted homicides are listed together. As stated earlier, if the victim remains alive, some countries prefer to classify the crime as an aggravated assault causing bodily harm, while others classify it as an attempted homicide. For instance, violent crimes, which do not result in the victim's death, are, in Estonia, usually registered as aggravated assaults. But in Finland, the classification "attempted homicide" is much more encompassing than in Estonia. Therefore, when homicides and attempted homicides are listed together, the homicide rate is much higher, than when the homicide rate just reflects completed homicides (if attempted and completed homicides are listed together, then, in 1996, Finland had a homicide rate of 10.1 per 100,000 inhabitants, whereas, the rate of actually completed intentional homicides was only 3.7.

[9] Trends in Europe and North America 1998/1999. (1999). The Statistical Yearbook of the Economic Commission for Europe. United Nations, New York and Geneva, p. 223.

TABLE 2.7.

The number of intentional homicides per 100,000 inhabitants in various countries (1994)

Place on the list	Country	Homicides per 100, 000 inhabitants
1	Sao Tome and Principe	133.7
2	Bahamas	85.5
3	Colombia	75.9
4	Lesotho	70.4
5	Guatemala	30.1
6	Jamaica	27.1
7	**Estonia**	**24.4**
8	Nicaragua	23.3
9	Russia	21.8
10	Paraguay	18.5
11	Guiana	18.0
12	Ecuador	17.7
13	Kazakhastan	15.0
14	Latvia	14.7
15	Lithuania	14.2

Source: Human Development Report 1999. (1999). pp. 221–224.

TABLE 2.8.

Intentional homicides and attempted homicides in Europe (1996)

Place on the list	Country	Rate per 100, 000 inhabitants
1	Russia	19.9
2	Holland	19.0
3,4	**Estonia**	**18.4**
3,4	Albania	18.4
5	Scotland	15.5
6	Lithuania	11.1
7	Luxembourg	10.6
8	Sweden	10.3
9	Latvia	10.4
10	Finland	10.1
11,12	Bulgaria	8.9
11,12	Moldova	8.9
13,14	Northern Ireland	6.8
13,14	Croatia	6.8
15	Romania	6.7

Source: European Sourcebook of Crime and Criminal Justice Statistics (1999), p.41.

homicide rate can be found only in Russia and, surprisingly enough, in Holland (q.v. Table 2.8). But the rate of completed intentional homicides in Estonia is second only to that of Russia. Holland, with its rate of only 1.8, is in the lower half of this list (q.v. Table 2.9). Since all these rates are totally dependent upon what data countries choose to submit, it is actually quite difficult to draw up a totally accurate list of European countries based upon their intentional homicide rates.

On the basis of violent crime data from the years between the two world wars, it was possible to divide Europe into two — the Western part with its low homicide rate, and the Eastern part with its high homicide rate (Verko, 1951). Today, this division is no longer totally applicable, since the low-homicide region has somewhat expanded, encompassing, in addition to Western Europe, also some Central and Southern European countries. But today's transitional countries with high homicide rates (including Estonia) tend to be primarily in Eastern Europe. Within this category of countries, the highest homicide rates can be found in the former Soviet republics, followed by the former so-called socialist countries of the Eastern Bloc. It seems that the recent period, when Europe was divided into two power blocs, has had more influence on general social development, and the actual intentional homicide rate, than the social traditions which go back for centuries.

Short-term trends

The development of a definite trend can be seen in the data concerning homicides in Estonia during the 1990s. The number of homicides began to grow right at the beginning of the decade. In 1992, the homicide rate was more than 15, and the following year, more than 21 homicides per 100,000 inhabitants. The worst year was 1994, with 365 homicides, a rate of 24.2. From then on, for the next five years, there was a constant decline. By 1999, the homicide rate was less than 14 (q.v. Table 2.10).

Although in the last few years there has been a definite decline in the Estonian homicide rate, it is still, compared with other democratic European nations, high. Estonia's 1999 homicide rate of 13.8 still surpasses, for instance, that of the United States, which was, in 1998, almost 10.6. That same year, in Finland, only 2.8 homicides were registered per 100,000 inhabitants.

Long-term trends

To be able to properly evaluate Estonia's present day intentional homicide statistics, a look should be taken at the development trends of

this category of crime, going back to the founding of the Republic of Estonia. To do this, three different periods in Estonian history will be compared: 1) Republic of Estonia before the Soviet occupation (1918–1940); 2) Soviet occupation (1945–1990); 3) Republic of Estonia after the restoration of independence (1991–1999).

First of all, as a general observation, it can be stated that the present homicide rate far surpasses those of the two previous periods. In pre-war Estonia, there were, on the average, 127 homicides a year, making it a rate of 11. During the Soviet period, there were, on the average, 66 homicides or attempted homicides a year, which gives a rate of about 6. The present Republic of Estonia's yearly average has been 260 homicides a year, which is a rate of 17 per 100,000 inhabitants. But data like this needs to be analysed.

Looking at the intentional homicide statistics from the early years of the Republic of Estonia, it is apparent that there are noticeable differences from today's situation. Just as now, in those days homicides and attempted homicides were listed together. Quite striking is the very high number of illegal abortions and infanticides by mother. If at the beginning of the 1920s these two categories of homicide (according to the classification norms of the time) made up about one-third of the intentional homicide total, then by 1924, they made up nearly 60% of this total[10]. Compared with today's situation when only a few crimes of this kind are committed a year (e.g. 1994–3, 1995–2, 1996–6), it can be seen that there has been an essential change in the structure of intentional homicides. Since legal abortions are now readily available in Estonia, then the performing of, and the ascertaining of, illegal abortions, has become a thing of the past. Therefore, a much more accurate comparison with today's intentional homicide statistics can be made if infanticides and abortions are subtracted from the 1920s and 1930s intentional homicide statistics.

The relatively low number of homicides during the Soviet period deserves special comment. The crime statistics of that era have to be looked at very critically since a totalitarian regime deals with its social problems quite differently than does a democratic nation . There is no doubt that the record-keeping practices of the time also made it possible to manipulate the intentional homicide statistics. For instance, the statistics of that period do not take into consideration the crimes committed in Estonia by Soviet military personnel and the civilian employees of defence industries.

At the same time, it is quite logical that in a society in which people's lives are very strictly controlled, the authorities would be able to, at least to a certain extent, curb criminal activity. The low rate of intentional homicides in Soviet-occupied Estonia seems to prove this. A prime example of how an over-controlled society can maintain a very low homicide rate, is China. According to the official statistics, in 1996, there were only 63 homicides in China,

TABLE 2.9.
Intentional homicides, without attempted homicides, in Europe (1996)

Place on the list	Country	Rate per 100 000 inhabitants
1	Russia	15.3
2	**Estonia**	**14.7**
3	Latvia	8.8
4	Albania	7.6
5	Bulgaria	5.2
6	Portugal	3.9
7	Finland	3.7
8	Romania	3.2
9	Slovenia	2.7
10	Scotland	2.6

Source: European Sourcebook of Crime and Criminal Justice Statistics (1999). p.42.

TABLE 2.10.
Homicides and attempted homicides, and the rates per 100, 000 inhabitants in Estonia 1991–1999

Year	Number of homicides plus attempted homicides	Rate per 100, 000 inhabitants
1991	136	8.7
1992	239	15.5
1993	328	21.7
1994	365	24.2
1995	304	20.6
1996	268	18.2
1997	247	17.0
1998	248	17.1
1999	200	13.8

Source: Police Department.

[10] Susi, A. (1926). Kuritegevus Eestis 1919–1924. Eesti Statistika. 53–1, pp. 1–7; Eesti Arvudes 1920–1937. (1937). Riigi Statistika Keskbüroo. Tallinn, pp. 303–310; Raid, K. (1938). Süütegevus 1937. Eesti Statistika, Nr 200(7)–201(8), pp. 357–365.

which is a rate of less than 1 per 100,000 inhabitants[11]. It is very difficult for an outside observer to objectively evaluate statistics like this, but these figures very definitely cannot be used for making statistical comparisons with democratic European nations. The same prudence should be used when trying to compare Soviet Estonian statistics with present-day Estonian crime rates.

Possible interpretations

Violent crime (primarily homicide) has been regarded as a very important yardstick for evaluating the moral standards of a nation. The level of crime in a society can be interpreted as being the accumulative result of various social factors. The most important among these are the existence of a criminally-motivated part of the population, the lack of strong social moral restraints and the existence of achievable criminal goals (Cohen & Felson, 1979; Van Dijk, 1994). A general model like this, in which the crime rate is determined by the combined effects of motivation and opportunity factors, can also be used for interpreting the homicide rate. The level of violent crime is correlated to social factors like relative poverty, social inequality and dissatisfaction with incomes (Mayhew & Van Dijk, 1997). All these factors, which are conducive to a high crime rate, are presently very apparent in Estonian society.

When interpreting international trends in the sphere of intentional homicides, it has to be kept in mind that various nations are presently in different stages of the modernisation process. In the course of these social developments, new motivations and possibilities are constantly arising for criminal activities. The basic conclusion is that a developed society has a higher rate of economic crime and a lower rate of violent crime. In societies at a lower stage of development, the opposite is of course true (Riedel, 1999). As Estonia's recent developments have shown (especially during the last five years), the general picture of Estonian crime is quite characteristic of a society undergoing modernisation.

When analysing the phenomenon of violent crime, special attention is usually paid to its social-cultural context. Societies with low homicide rates have a strong informal system of social restraints and generally accepted norms, a strict system of social obligations and a strong cultural foundation, which all help to curb aggression. Societies like this are usually based upon collective, rather than individualistic principles, and they generally lack a violent subculture (Gartner, 1997; Wolfgang & Ferracuti, 1982). After restoring independence, Estonia entered a period of few social norms, when the previous social control mechanisms no longer functioned. But it takes time to develop new control mechanisms, which are based on a different set of moral principles.

Studies of homicides have proven that the social parameters of both the perpetrators and the victims are, as a rule, very similar. An intentional homicide is usually committed by a person who has a previous criminal record. A high intentional homicide rate shows that the community has a high percentage of people who are criminally active, and who are on the "priority list" of those with whom the criminal justice system has to deal with. The drastic increase in the Estonian homicide rate, during the early and mid 1990s, is directly connected with the incapability of the law enforcement system to deal with this type of crime.

Conclusion

Estonia's high homicide rate during the 1990s shows that this nation has undergone very fundamental social changes. Estonia is of course not unique, since this very same process is also taking place in other transition states, especially in former Soviet republics. It is possible that Estonia's transition process, taking into consideration the country's small size and geopolitical location, has been developing at a quicker pace than elsewhere. If Estonia's social changes continue to develop at their present rate, and stabilisation starts to take place, the rate of violent crimes should start to drastically drop, and find a level which is comparable to that of other European countries.

References

Cohen & Felson. (1979). Social Change and Crime Rate Trends: A Routine Activity Approach. *American Sociological Review, 44,* 588–608.

[11] Demographic Yearbook of the United Nations 1999, pp. 455– 460.

Gartner, R. (1997). Crime: variations across cultures and nations. In C. Ember and M. Ember (eds.), *Cross-Cultural Research for Social Science* (pp. 101–119). Englewood Cliffs, NJ: Prentice-Hall.

Human Development Report 1999. (1999). UNDP, New York, Oxford: Oxford University Press, pp. 222–224.

Kangaspunta, K. (ed.). (1995). Crime and Criminal Justice in Europe and North America 1986–1990. HEUNI Publications Series No. 25. Helsinki: HEUNI.

Kangaspunta, K., Joutsen, M.& Ollus, N. (eds.). (1998). Crime and Criminal Justice in Europe and North America 1990–1994. HEUNIP Publications Series No. 32, Helsinki: HEUNI.

Mayhew, P., & Van Dijk, J.J.M. (1997). Criminal victimisation in eleven industrialised countries: key findings from the 1996 International Crime Victims Survey. The Hague: Ministry of Justice, Research and Dokumentation Centre.

Riedel, M. (1999). Homicide. In Encyclopedia of Violence, Peace, and Conflict. Vol. 2. San Diego, London: Academic Press, pp. 123–138.

Van Dijk, J. J. M.(1994). Opportunities for crime: a test of the rational-interactionalist model. *Report at the Eleventh Criminological Colloquium of the Council of Europe.* Strasbourg, 23–30 November.

Verkko, V. (1951). Homicides and Suicides in Finland and Their Dependence in National Character. Preface by Professor Thorsten Sellin. *Scandinavian Studies in Sociology*, 3. Kobenhavn: G.E.C.GADS FORLAG, pp. 65–76.

Wolfgang, M. & Ferracuti F. (1982). *The Subculture of Violence.* Beverly Hills, London: Sage Publications, Inc.

2.4. Estonian Folk Culture Entering the EU Cultural Landscape

The position and social importance of folk culture have changed substantially in Estonian society during the nineties. The newspapers are no longer filled with photo galleries dedicated to Days of Folk Culture that used to take place in one region or another, and commercial fever has even struck the institution of the Song Festival. These days, the topic of folk culture is not what one could call a best-seller. Even so, people sense the danger that faces this aspect of life — one that is interwoven with the national identity — as we enter ever further into the new global culture and "euroculture" dimensions.

How do the stakeholders themselves perceive the changes that are taking place in the way that Estonian folk culture is interpreted as new border lines are drawn? We researched these issues by conducting fourteen focus group interviews in 1998–1999, during which we spoke with leaders of amateur theatres, members of the adult free education movement, artisans, local cultural advisers, librarians and other active participants.

During the interviews, we spoke with members of each group for approximately two hours on the average about the different areas of modern folk culture, and also of their future prospects in the event of accession to the European Union. On the basis of the transcribed texts of these interviews, we analysed how the participants defined folk culture or specific areas thereof, areas of activity, values and also what the respondents considered to be outside the realm of folk culture.

"Insiders" and "Outsiders"

Under the conditions that followed the loss of independent statehood, the definition of "outsider" was a reasonably simple task from the point of view of the Estonian folk culture. Soviet cultural policies came to be regarded as the embodiment of "different", for they had little in common with the historical cultural traditions of Estonians, and they were therefore held to be both hostile and "alien". Pragmatic aspects were not considered to be important, although they were often quite favourable for the continuation of the Estonian folk culture (enormous amounts of funding by the State, collective farms and trade unions). Most important was the semantic aspect, where Sovietisation and Russification were considered the enemies of Estonian folk culture, producing destruction and chaos. It was necessary to con-

duct ritualised "battles" in the name of "insider" purity against the dangerous "outsider". The popularity of folk culture in Soviet Estonia is comparable to the ideology of 19th century European nationalism. Then too, the protection of the nation was closely linked to the preservation of folklore from that which was "different". Relying on one's roots strengthened the position of folk culture inside the closed Soviet society, and isolation reduced openness to new cultural ideas entering from the outside.

"We have to be thankful to the foreign powers whose intervention in Estonian national affairs have increased our cohesiveness throughout the ages. Fear of the unknown has caused us to hang on to that which is old and traditional". (From an interview with a university student from Tallinn Pedagogical University).

The adoption of folk culture as a bastion against socialist ideology was in effect the creation of a preservative protective shield which today, however, is more of an obstacle to development. In today's post-socialist (or postcolonial as some authors interpret our situation) society, a situation has in fact developed on the periphery of Estonian folk culture, where the onslaught of a huge amount of material requiring interpretation has come into confrontation with rigid and resistant structures in the centre.

The tempestuous transformation of the cultural realities that accompanied the restoration of statehood presented Estonian folk culture with a fascinating and complex challenge: the need for the quick development of internal dynamics. The folk culture which had "marinated in its own juices" for a long time unexpectedly came face to face with a world that was being "Internetised", with a multiplicity of youth sub-cultures, the aggressive onslaught of mass culture clichés, the alternative cultural character of non-Estonians, and the traditions of Scandinavian adult free-education, etc.

Different cultures forced Estonian folk culture into a situation where continued passive behaviour would have resulted in its deconstruction, in its withering away and losing all relevance for other cultures. In the interests of self-renewal and greater dynamics, the Estonian folk culture is faced with the need to come up with new "outsiders".

The discovery of new "outsiders"

As the interviews proceeded, an image of a significant new "outsider" in the guise of mass culture emerged quite clearly, accompanied by images of Estonia's own nouveaux riches who are primarily consumers of mass-produced kitsch. Let's allow the interviewees to speak for themselves:

"In our rural municipality, high school teachers — who are in fact better off financially than anyone else in the community — are not consumers of culture at all. They belong to the "Esmeralda (TV soap opera) cult". They sit at home and watch that. Those with good salaries have turned their backs on folk culture." (From an interview with members of a cultural association in Antlsa)

"A dramatic stratification of Estonian society is underway. There is considerable material inequality. Reflections of this can be seen in the consumption of culture, and also in the attitudes that are displayed towards traditional culture and perhaps towards culture as a whole. Could it be that folk culture will be left to the poorer levels of society? The way I see it, our nouveaux riches, that is to say the richest of the rich, have such a thin layer of culture that folk culture and traditional culture can literally be used to give them a scare. Without dwelling on whether they want to have any part of it in their heart of hearts, you can literally astonish them by pointing out that such a thing exists, don't you know?" (From an interview with a scientist employed by the Estonian National Museum)

A theme that kept cropping up in the interviews was that of the cultural trends that are developing as a result of prospective membership in the EU, which also tended to be viewed within the context of "outsider". In comparison to attitudes towards mass culture, the overall attitude is less sure and not as directly defensive. The EU and its cultural bureaucracy are not as destructive of an "outsider" as mass culture. Folk culture enthusiasts also consider contacts with new spheres to be necessary.

"In some respects we will lose, but on the other hand, funding of some sort may even trickle down to our handicraft sphere through the European Union. It is quite clear that we can't return to the 18th century. The pursuit of folk culture will remain a hobby of sorts, and if that comes about, more people will start to deal with such pursuits." (from an interview with members of Estonian Folk Art and Craft Union)

"As much as I've heard about the European Union, then the Eurounion comrades, meaning all of those at the head of the pack, are of a fairly high calibre, educated, and versed in the ways of the Internet. A country person who often has less than half as much access to these opportunities is bound to end up the loser. Somehow a development has to take place that would enable

the country person to attain the same level as the euroman. A person from Tallinn and someone from small village — their relations can be compared to that of the Eurounion and Estonia, and the difference will become even more distinct when we actually enter the Eurounion. We ought to start by leading our people to that level, by educating them. Our standard of living also needs to be brought to that level, for otherwise the little rural village will end up vegetating because of the Eurounion. Only so is it possible, not head over heels. . Would it make sense two or three years from now if we have gotten in, but don't have anything to eat? Take the example of the child from our community who stole bread and wolfed it down — what is that child going to do in the Eurounion?" (From an interview with cultural advisers working in the rural municipalities)

"I believe that local culture has a very important place in folk culture. That includes the local dialect, and it is very unfortunate that these are disappearing. One of the objectives ought to be the preservation and continued use of local dialects. It would be unfortunate if we find ourselves in the EU someday, but know nothing about our own back yard." (From an interview with leaders of amateur theatres)

"The EU can bring about such a change that we end up fighting for our folk culture. We will be more active in folk dance and folk singing, we'll start doing it out of spite. People want to do that which is banned or has been backed into a corner. The Estonians who lived in America were quite wealthy, but they were involved in Estonian culture nonetheless". (From an interview with leaders of folk culture in the city of Pärnu)

In the minds of folk culture enthusiasts, the cultural landscape of the EU conjures up a fairly indistinct image. This consists primarily of the prospect of gaining additional revenue through projects, but little is discerned in terms of it being a system of values or a legislative body.

The deconstruction of boundaries?

In attempting to define the modern borders of Estonian folk culture the primary consideration is: what do the participants themselves consider to be the components of folk culture? During the Soviet period, folk culture was associated mainly with folkloristic song, dance, handicrafts, certain foods, customs, holidays based on the traditional calendar, etc. Folk culture was encoded in a manner that was universally recognisable, and its identification was not difficult. Now that the postmodernist world of values has revealed itself, the task of drawing the boundaries of folk culture has become considerably more difficult. One important option in terms of drawing these boundaries is to let participants in culture personally reflect on what that they consider to be folk culture activities. Obviously, the following list is not comprehensive for the purpose of characterising the full scope of contemporary folk culture. It is actually better suited for showing the diversity of areas that it encompasses, and for displaying the extent to which views differ. A variety of fairly random activities were brought up during the course of the interviews, these being connected above all with the personal interests of the respondents themselves, and which could — in the eyes of other interview subjects — consist of little more than hobbies or means of generating income. The final conclusion to be derived from this is that at the present, a never-ending variety of activities can be made to fit into the concept of folk culture, without any of them being cast out as "wrong", but by the same token, "right" is not easy to define. The following were mentioned as component parts of folk culture when the interviews were carried out:

- Weightwatchers;
- village sports (e.g. traditional ball games, volleyball, football);
- courses in how to construct log cabins;
- studios run by handicrafts artisans in the cities;
- courses on self-improvement;
- courses on how to tend to small animals;
- the villages movement;
- research into one's roots;
- language and computer studies;
- cybercottages (which businessmen have begun to frequent);
- boat construction as a national hobby;
- computerised games for children, designed to acquaint children with Estonian folk costumes as well as with festivities originating in the folk calendar;
- traditional farms in the proximity of the cities, designed to educate city dwellers;
- dissemination of knowledge about Estonian literature, art, dance and song within the educational system;
- student theatre with a repertoire rooted in Estonian classics;
- folk dance courses within the framework of the physical education curriculum in schools;

- theatre based on poetry, amateur theatre, puppet shows;
- automobile clubs, particularly "Unicum" (old and antique cars);
- stamp collecting;
- courses in handicrafts.

As sketched out by these enthusiasts, a process is taking place that could be described as the deconstruction of folk culture. The list above could be amended with any variety of new links. For all intents and purposes, it would be impossible to assign a cut-off point to the list by announcing that the next entry is undoubtedly "wrong". The routine distinctness of boundaries has begun to be replaced by the vagueness of border lines that is characteristic of postmodernism.

Based on the activities listed, one arrives at the conclusion that the feature that dominates the traditional legacy is that of nostalgia. Despite the intense urbanisation that Estonians have undergone, they wish to continue to see themselves as a peasant people, and folk culture is regarded as everything that is connected to village life. At the same time we can see a trend in which folk culture is associated with the concept of "the people" or populace, as in a creative mass of people. In that respect, folk culture is held to be everything that has to do with grassroots leisure time activities, ranging from organised dieting to stamp collecting. There is a desire to see clear signs of keeping up with modern times in folk culture. If, for example, blacksmithing skills were an ancestral manifestation of folk culture, then the restoration of unique old cars might be one possible modern-day expression of the same. Symbiotic innovations such as ethno-rap and ethnographic computer games are no longer perceived as excessively alien. The Viljandi Folk Music Festival was cited in the interviews as a prime example of casting the traditional in a new dimension. Concern about the way in which the boundaries of folk culture are dissipating is expressed in a nutshell in the following excerpt from an interview:

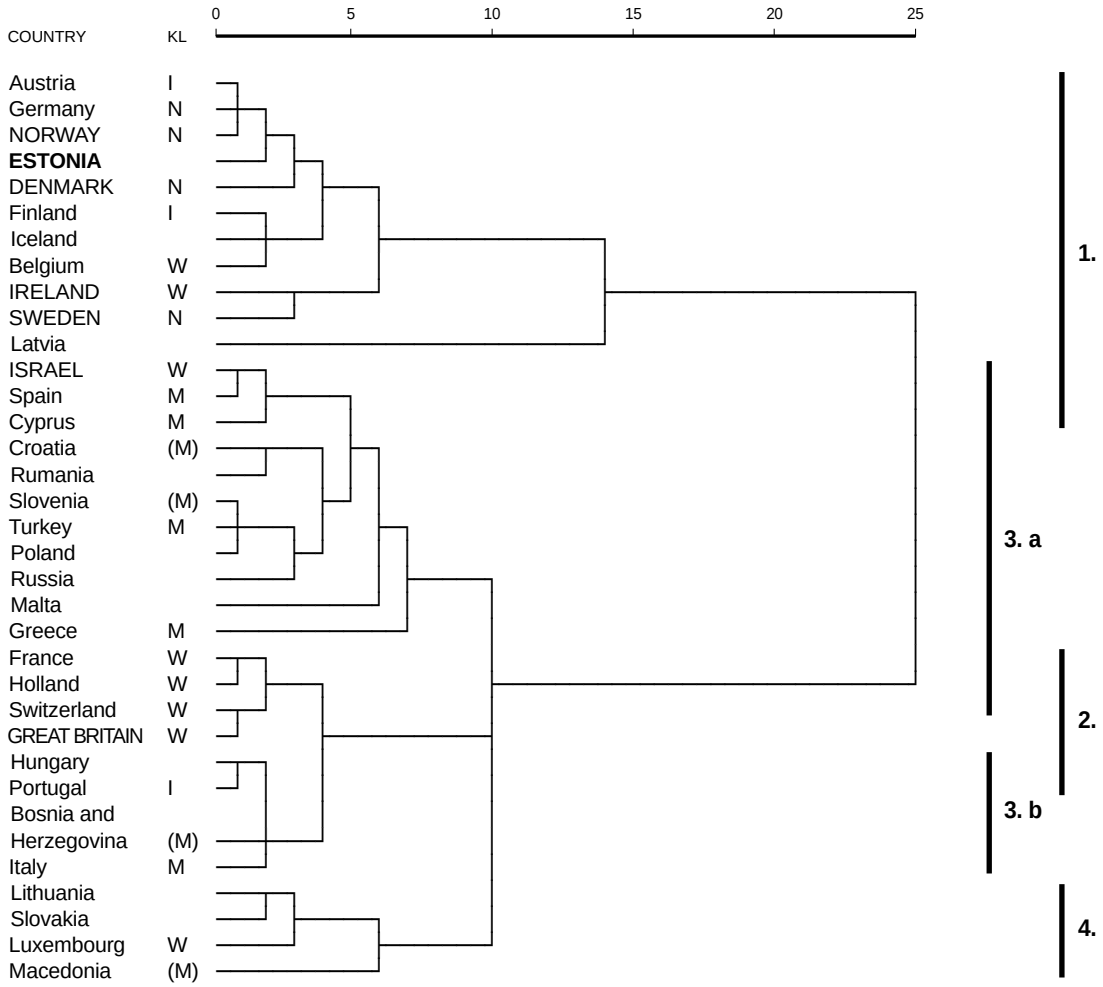
"The danger lies is in the celebration of folk traditions in the cities that have nothing to do with the customs of the Estonian people. During the past ten years, the customs of various peoples have arrived - Halloween, night clubs, and pubs are signs of that. Valentine's Day is observed instead of the traditional St. Martin's or St. Catherine's Day. People no longer know how to observe the high points of the Estonian popular calendar. We are being inundated instead with all sorts of things that used to apparently be confined beyond our boundaries. Commercialisation arrives from America and from Ireland, and young people embrace it. Continuity doesn't function on the more sophisticated level of the spiral, which would require us to make our own folk customs fascinating and interesting, as is the case with Halloween. We are worried: are we capable of doing that? Indeed, do we actually want to? We remember how it was during our childhood, but don't know how to make it interesting for our children. We know nothing of the roots of Valentine's Day, with its origins in Catholicism. As a result, all we do is go to the tavern and present our friend with a heart. We even continue to mark holidays of Eastern origin, but don't know how to make the special days of our own popular calendar interesting for our young people." (From an interview with leaders of folk culture in the city of Pärnu)

2.5. Estonia on the Eurovision Landscape

The Eurovision song contest has been held 45 times since 1956. Originally a seven-country joint undertaking, it attracted the participation of 18 countries by 1965. Over time several Mediterranean countries were included such that by 1992 twenty-five states had participated at one time or another. A new dimension was added in 1993 when Yugoslavia was replaced by three of its former constituent states and nine new countries sprouting from the former Eastern bloc joined the contest. As the majority of Europe is involved, there are plenty of participants even though some countries have opted to drop out (Luxembourg, Monaco, recently also Italy) The eagerness to participate has caused a change in the rules in favour of the more successful countries to prevent the event from becoming a song marathon. Consequently, not every country is represented each and every year. Over the years Germany has only missed one contest, Belgium, France and Switzerland have missed two and Holland has missed three times. Estonia has participated a total of six times to date.

Over the years several judging methods have been employed. National panels of

FIGURE 2.11.
Eurovision Song Contest voting results cluster analysis on Ward method for years 1993–2000



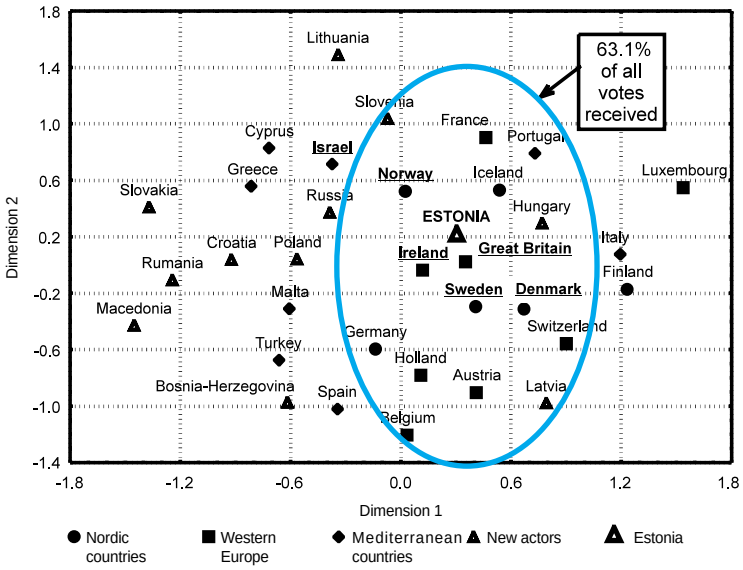
Old classification (KL): W — West Europe, N — Norden, M — Mediterranean, I — isolate
Distribution of the former Yugoslavia has been transferred to its successor states in the form (M).

judges have been dropped and the principle of a popular vote has been adopted. The current scoring system has been used since 1975 (first place – 12 points, second place – 10 points, third place – 9 points … tenth place – 1 point). This sample selective rating lends itself to sociological study (this analysis will use the equal-step scale, with the winner scoring 10, the second best 9 etc.).

The first attempts to determine the scheme of dominating groups emerging in the song contest and the underlying proximity of taste preferences in music was made years ago for the period 1975–1992 (Yair, 1995; Yair, Maman, 1996). Estimates were based on the average scores which were reciprocally exchanged by countries over this period. It was found that Europe for the purpose of "Eurosongs" is divided into three large groups – the Nordic countries, Mediterranean countries and Western Europe – with three "recluses" (Finland, Austria, Portugal), whose choices are not influenced by the decisions of others . This paper aims to expand this study to embrace the post-Berlin Wall period, in particular regarding Estonia's placement with reference to former power centres, and in general.

Since the period 1993–2000 was not as homogenous as the earlier period from the point of view of performers, the method of calculating reciprocal scores needs to be applied in modified form such that the average number of years is replaced with the average number of times the scores were exchanged, for each

FIGURE 2.12.
Eurovision Song Contest 1993-2000
MDS on the basis of reciprocally given votes



pair of countries. This will enable assessment of the taste preferences of countries which have participated less frequently and which would otherwise be disregarded. To visualise the results, hierarchical cluster analysis and multidimensional scaling (MDS) are used.

Estonia has been relatively successful in the song contest having placed 24th, 5th, 8th, 12th, 6th and 4th. Have generous scores from our geographical-cultural neighbours contributed to an excellent song and appropriate performer, or does the reason for our success lie in our natural affiliation with Europe? Is it that Estonia is part and parcel of modern cultural Europe and possesses the skill to stand up and be noticed even before economic and political integration?

Estonia's behaviour is similar to which country's in exchanging scores? The respective hierarchic cluster for 1993–2000 is set out in Figure 2.11. Altogether, 34 countries have exchanged scores. The winner for each year is written in capital letters and underlined (Ireland as many as three times!). Four groups emerge:

- countries linked with the Nordic core (11 countries),
- countries linked with the Western European core (4),
- countries split into two (3.a and 3.b) formed mainly on the basis of Mediterranean countries (15) and
- recluses (4).

The latter have emerged due to a lack of participation (Lithuania and Luxembourg only once, Macedonia twice) or poor performance (Slovakia has only been awarded 19th, 18th and 21st place). Success in Latvia's only appearance allows for its clearer definition. The close relationship between the scores accorded to Russia's songs and those of Mediterranean countries is apparently reasonable, however the placement of Poland and Hungary seems suspicious. Estonia is situated befittingly and securely in the Nordic and Germanic environment, which is spiced up by Ireland, Belgium and Austria. This group also includes the greatest number of winners (six victories out of eight). As compared to the earlier survey, the role of the hard core West has decreased to a surprising extent. The expectation that the former favourites would attract the newcomers has proved wrong. The countries which belonged to that category in the earlier survey have been dispersed among the different groups. But there is also no reason to abandon the new three-group division since the Central and Eastern European countries have failed to set up a new voting alliance and have eased themselves into the existent realigned groups, where the same actors continue to play a role. All three camps have tasted victory in the song contest over this period. Estonia has been quick to overcome the initial period of adjustment and has found its place among the most successful countries.

Secondly, we will look at the placement of countries, not based on the similarity of general behaviour, but based on the division of scores for which MDS will be used. The respective graph in Figure 2.12 exposes the scoring behaviour both in respect of the centre (location of the winners and mutual relations between countries; those spatially close display a similar pattern of behaviour). The centre of the graph is hot and the winners are situated nearby (underlined in the Figure). Grouping by cultural region is self-evident: on the left, the Mediterranean countries; on the right, the Nordic countries. Further left, not unlike the rear guard, are the post-socialist countries. It appears that the Euro-song battleground will also evidence the division of Europe along the north-south axis where the north is populated by welfare states (of Lutheran background) which have the upper hand. Seventeen countries in the green circle predominantly from the western-Nordic group dominate the game, winning 63.1% of the votes distributed, of which only 55.8% are scores exchanged between themselves. Hence the constructive engagement of those within and without the circle is

open-ended. The drifting of votes between these two groups is much more intensive than the outcome of the survey reveals. There are four newcomers among the insiders: Hungary, Slovenia, Estonia and Latvia. The placement of the latter among successful countries is due to one single performance, and therefore this placement has not been secured by a sustainable trend and is liable to significantly change in the following years. The success of the elite group of the remaining post-socialist countries is symptomatic. Portugal acts in line with this mainstream tendency. Both the successful Israel and the unsuccessful Finland and Spain find themselves on the fringes. Compared to the earlier survey, MDS will better highlight the cultural stratification of Europe, where few actors are located away from their permanent geographic-cultural areas. Therefore, it is reasonable to query whether the relative cosmopolitanism of the world of song, its orientation to the greatest audience and catering to multiple tastes does not tend to reduce the competition to one based on cultural similarity and affinity between neighbours?

To answer this question, the spectra of friends which emerges must be analysed bit by bit, which we will do only for Estonia, to see where the foundation for future victories may be hidden. Since the Eurovision song contest is designed such that not everyone will necessarily receive votes, and votes cast by a country need not be returned, an imbalance between the number of votes cast and received is programmed into the system. "Send more votes out" is a promising strategy but need not work. Neither are all countries in the circle in Figure 2 on the plus side. Belgium is deeply in the red (–148), as are Switzerland, France and Portugal, and to a lesser extent Austria, Slovenia, Iceland, Holland – nearly half of the successful countries. . Ireland is strongly in the black (+409), as are Great Britain (+168), Denmark and Norway. Estonia has obtained just a few more votes than it has given (+28). Outside the circle of the privileged few, Malta is also strongly in the black, while even the one-time winner Israel is showing a loss. Thus matters are settled by the structural behaviour demonstrated above or by who is friendlier with whom. .

Who has helped put Estonia on the plus side? Cyprus (+13), Finland (+12), Slovenia (+12), Holland and Portugal have given us more than ten points more than we have given them; Germany, Rumania, Poland, Switzerland, Malta, Spain, Turkey, Bosnia, Austria, Denmark, and Greece have given us more than they have received. With the others, we are either even or have given more than we have received: Ireland (–15), Sweden (–11), Great Britain (–10) and Russia (–8). With Latvia and Lithuania our score is –1, with Hungary and Iceland –5. When excluding Denmark, the hotbed of Estonia's support is located both within and without the boundary area of the circle in Figure 2.12. The favourites are not much use to us but we boost them and shift them into a better position. This accounts for our good placement which is based on the intensity of the reciprocal exchange of votes, not on their direction. Neither can it be claimed that the group with the Nordic centre, in the sense of Figure 2.11, would spur us strongly. Our success lies in being attractive to other cultural areas, in securing votes from them. Thus the best tactical choice for success in the Eurovision song contest is not a simple orientation to the authentic West, but rather making oneself favourable to other regions. This means we are to offer western style songs to those who can not vote for the West due to historical or cultural considerations. This has worked well for Estonia to date, however the last song contest indicated that similar actors are emerging elsewhere (Latvia, Russia). This will open unexpected vistas for the newcomers of the 90's which may result in surprising victories. This is likely to accentuate, not mitigate, Europe's polarisation on this relatively neutral field, the Eurovision song contest.

References

Yair, G. (1995) 'Unite Unite Europe': The political and cultural structures of Europe as reflected in the Eurovision Song Contest. *Social Networks*, 17, 147–161.

Yair, G., Maman, D. (1996) The Persistent Structure of Hegemony in the Eurovison Song Contest. *Acta Sociologica*, 39, 309–325.

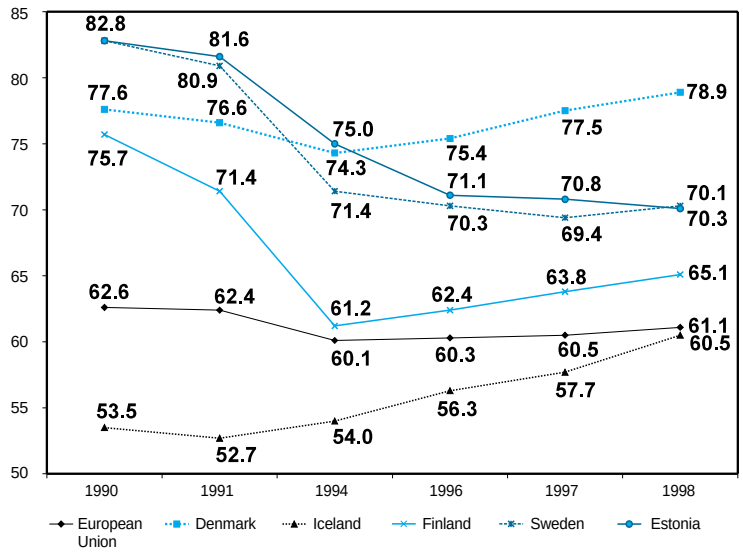
3 The Labour Market and Education

3.1. The Estonian Labour Market and Labour Market Policy in the EU Context

Unemployment is a burning economic problem in European Union. Despite various labour market policy measures, youth unemployment and long-term unemployment have persisted at a relatively high level. The economic activity of people in the EU during the last decade has remained largely the same, at substantially below the level in both the US and Japan. The reasons for this may be the desire of young people to stay in the full-time education and training system as long as possible, and the tendency among elderly people (specifically men) to choose early retirement instead of facing unfavourable prospects in the labour market. These trends and the general ageing of the population have put the active working-age population under strong pressure and is undermining the efficiency and scope of social protection systems. Consequently, the European Union has recently paid much more attention to activating the labour force and keeping people employed by using flexible forms of employment and promoting active labour market policy measures.

FIGURE 3.1.
Employment rate in 1990–1998

Sources: Employment in Europe 1999, Estonian Labour Force Surveys.



Labour market problems in Estonia have attracted serious attention only quite recently, although the above trends have been in evidence since the beginning of the 1990s. In 1999, the Employment and Training Development Plan was drafted under the auspices of the Ministry of Social Affairs, which defines the key issues and strategy for Estonian labour market policy for the next five years.

This article will examine the developments in the Estonian and European Union labour markets in the 1990s and will analyse Estonian and European Union labour market policy measures.

Differences and similarities in the Estonian and European Union labour markets

This comparison is based on the labour market indicators of the European Union and on the respective indicators for Finland, Sweden and Denmark. These three Nordic countries were selected because Estonia essentially belongs to this group based on geographical vicinity and cultural tradition. As becomes evident in the text below, the processes witnessed in the labour markets both in Estonia and the Nordic countries have been quite similar. True, the causes and driving forces behind the processes have been different. In the beginning of the 1990's the Nordic countries faced economic recession, due to which employment decreased and unemployment rose significantly. In the case of Estonia, the cause of similar tendencies was transition from one economic system to another, and the vast structural changes this involved. Since 1994, the economies of the majority of EU countries have been recovering, and consequently labour market indicators have improved. In the case of Estonia, the speed of structural changes has declined in the labour market since 1994.

Lately, much reference has been made to the case of Ireland in discussions focusing on the positive effects of accession to the European Union. Prior to accession to the EU, Ireland was predominantly a slowly developing agricultural country. Thanks to accession and the skilful use of EU structural funds, Ireland has achieved spectacular results in the reorganisation of its economy and in economic growth. Therefore, the data of Ireland will also be drawn on in this comparison.

Developments in employment

The European Union employment rate has been rather stable, although the 1990 level was not maintained in the subsequent years (cf. Figure 3.1). The number of employed in the European Union totalled 151 million in 1998, although there are substantial differences between the Member States. For example, at the beginning of the 1990's job cuts were concentrated in Germany, Italy, Austria, Finland and Sweden, while new jobs were continually created in Luxembourg and Ireland. Forecasts suggest that the job creation process in Europe is gaining strength, which depends critically on maintaining the level of GDP growth and continuing the process of structural change.

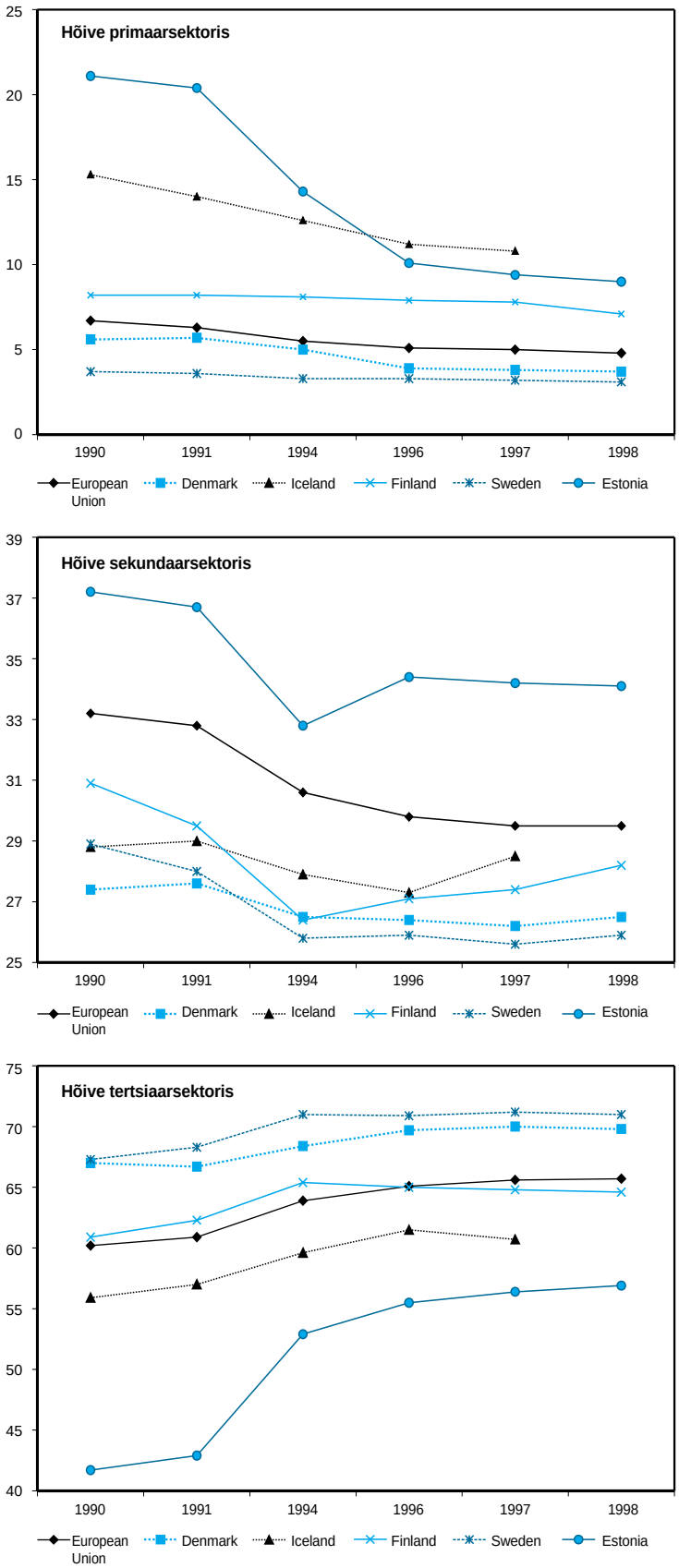
Figure 3.1 shows that in both Nordic countries and Estonia, the employment rate has been higher than in the EU on average. With regard to employment dynamics, the beginning of the 1990s witnessed a steady decline in employment, which Finland and Denmark managed to stop in 1994 and Sweden halted in 1997. Due to the impact of the Russian financial crisis, Estonia still faces a declining trend. Hopefully, Estonia will soon recover from this economic affliction, but as a small open economy it is and will be extremely vulnerable to any adverse impacts of international market forces. As mentioned above, the causes of the decline in employment were quite different in the Nordic countries and Estonia.

Ireland together with Spain and Italy had the lowest employment rate at the beginning of 1990's, but boosted its employment rate starting from 1991 and achieved the average EU level in 1998. Thus, Ireland is one of the most successful countries in improving employment and in carrying out structural change in the labour market (cf. Figure 3.2).

Structural changes primarily imply a change in the share of person employed in each economic sector. In the majority of European countries the massive creation of new jobs is evident

FIGURE 3.2.
Changes in employment by economic sector in 1990–1998, %

Sources: Employment in Europe 1999, Estonian Labour Force Surveys.



in the tertiary sector. The structural shift towards a service economy is clear, based on which industries are growing the fastest: business activities, health and social work, hotels and restaurant, education and retail trade. Employment is declining mainly in agriculture and manufacturing. The employment structure in Estonia is converging in its development with that of the European Union where ca. 5% of people are employed in the primary sector, 30% in the secondary sector and the rest in the tertiary sector. In 1990, Estonia's primary sector provided work to 21.1%, while by 1998 that figure had decreased to 9%. In the secondary sector the changes in employment have been less drastic: in 1990 the share of employed was 37.2%, which declined to 34.1% for 1998. Growth in the tertiary sector has been over 15 percentage points: from 41.7% in 1990 to 56.9% in 1998. Future increases in overall employment, both in Estonia and the European Union, will depend on an expansion of employment in the tertiary sector.

EU Member States are characterised by a shift towards higher skilled occupations and a decline in the share of manual workers in employment. European countries with a high level of employment (Denmark, Sweden, the UK and Netherlands) employ a relatively large share of the work force in high skilled non-manual jobs (around 30% of working-age population).

When discussing employment, it is beneficial to look at different forms of employment, entrepreneurship and part-time employment. From the point of view of economical efficiency, a sizeable percentage of people in the private sector and people engaged in entrepreneurial activities has a positive impact to the economy. In the European Union on average, private entrepreneurs account for ca. 15% of employment, however in the Nordic countries this indicator is lower. Only Finland is relatively close to the European Union's average level. In Estonia, the development of private businesses is on the rise. True, there was a certain setback in 1996, when a number of businesses, after initial success, were liquidated for various reasons including both changes in the overall economic situation and amended legislation. As a result of rapid privatisation, the majority of profit-oriented enterprises are now in private ownership. In the private sector new jobs are created primarily in small enterprises, which mainly operate in the tertiary sector.

Part-time employment is a wide-spread form of flexible employment. There were 17.4% people working part time in 1998 in the European Union on average, and this indicator had continuously grown over the years. Half of the new jobs created in 1998 were part-time positions. The majority of workers in those jobs are people in the senior age bracket. Part-time employment is common in Denmark and Sweden, where such workers constitute 22.3% and 23.9% of total employment, respectively. In Finland the corresponding indicator is 11.7%, which is below the EU average.

In Estonia, the share of part-time employment is still relatively low but is increasing steadily. However, there are significant differences between men and women: this indicator is 5.9% for men and 10.4% for women (according to data of 1999, 2nd quarter). One possible explanation is that women are more involved than men in taking care of children and other household members and therefore prefer part-time employment. However, part-time employment is frequently imposed on employees in Estonia and therefore is not always a matter of choice.

Unemployment

Due to the economic recovery, unemployment in the European Union has decreased since 1994 although the all-time-low 7.7% unemployment rate from 1990 has remained unattainable. In 1998 the unemployment rate was 10%, though the unemployment rate for women (11%) was three percentage points higher than for men (8%). The unemployment rate for women is higher in the majority of European Union countries. The gap is particularly wide in Spain, Greece and Italy. Only the UK is distinguished by a higher male unemployment rate.

In recent years Finland has witnessed a steady decrease in unemployment, yet it is higher than in the European Union as a whole (11.4%). Denmark has also managed to cut unemployment dramatically, which now is at a relatively low level (5.1%). In Sweden there was a successful reduction of the unemployment rate to 8.3% in 1998. In Finland and Sweden the unemployment rate for women at the beginning of the 1990's was significantly lower than for men. In the past four years, however, the male unemployment rate has dropped quicker than for females and these changes are also reflected in employment growth respectively.

The change in the unemployment rate depends on how quickly new jobs can be created, as well as on the activity rate of the population. In the European Union on average over 60% of the net additional jobs have gone to new entrants to the labour force rather than to unemployed persons or to alleviate long-term

unemployment. In the period of economic recession the rate of labour force participation decreased significantly, hence the figures show the decrease of the unemployment rate in the subsequent period. The absolute figure for unemployed persons was almost 17 million people in the EU in 1998.

In the case of Estonia, a steep and continuous growth in unemployment was evident until 1996. Thereafter the unemployment rate remained around 10–11%, but increased dramatically again under the impact of the Russian economic crisis in 1999–2000. Despite the rapid restructuring of employment, unemployment is growing as orientation from one market to another entails the updating of technologies which reduces the need for labour. Unemployment is mainly structural, i.e. there are available vacant jobs which can not be filled for a lack of workers with suitable qualifications. Estonia also faces regional structural unemployment, where vacant jobs are located in one part of the country and the available labour is located in another. The growth of unemployment has also been augmented by a lack of enthusiasm for retraining and in-service training, the low mobility of workers and their psychological inability to adjust to the changing market economy environment.

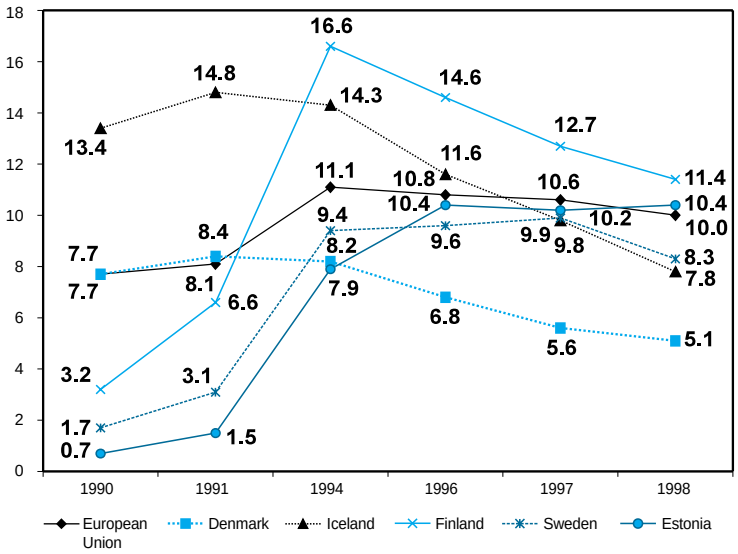
Long-term unemployment

The long-term unemployed, i.e. people who have been unemployed for over one year, are a high risk group since they are gradually losing their skills and the very value of their skills and qualification is continuously eroding. Their motivation to seek work declines due to long-term social deprivation and learned helplessness. To bring these people back to the labour market is a lengthy and expensive process. In the European Union, the share of long-term unemployment was the highest in 1994, after which it dropped and constituted 4.9% in 1998. The rate of long-term unemployment has decreased slower than the general unemployment rate. In 1998, 49% of unemployed workers had been out of work for a year or more. The number of people having been out of work for two and more years has increased to reach the figure of 62% of all long-term unemployed, that is, to 5.2 million people. In Denmark and Finland long-term unemployment decreased in the period of economic recovery, however in Sweden it increased (in 1998 the respective indicators were: in Denmark 1.4%; in Finland 3.2% and in Sweden 3.1%).

FIGURE 3.3.

Unemployment rate in 1990–1998

Sources: Employment in Europe 1999, Estonian Labour Force Surveys.



Developments in the Estonian labour market also reveal an increase in long-term unemployment. The long-term unemployment rate was the highest in 1996, amounting to 5.7%. In the subsequent years it has stayed below 5%. By 1998, those having sought work over one year accounted for 47% of all unemployed. The growth of long-term unemployment has become a serious impediment specifically in areas where unemployment has been chronically high, e.g. Northeast and South Estonia, but also in rural districts at some distance from metropolitan and other centres. In 1998 the Ministry of Social Affairs launched a pilot project to reduce the level of long-term unemployment: "Activating Policy Centres to Render People of Low Competitiveness More Competitive in the Estonian Labour Market".

Youth unemployment

Youth (15–24 year-olds) unemployment is a considerable problem which deserves attention throughout the European Union. The average indicators of youth unemployment in the European Union were as follows: 1990 — 8.4%; 1994 — 10.7% and 1998 — 9.3%. The decline since 1998 has been greater for young people under 25 than for the rest of the labour force. The youth unemployment rate differs greatly among EU Member States. It is particularly high in Italy and Greece, reaching to 30%, which is 4–4.5 times higher than the unemployment rate in the age group of those over 25. Youth unemployment is relatively high in Nordic countries as well. In 1998, the respective indicator was

5.3% in Denmark, 7.5% in Sweden and in Finland even 11.2%[1].

Youth unemployment in the European Union is caused primarily by a lack of earlier work experience in young people who enter to the labour market. Presently, in the European Union on average 20% of youth complete their education without a special vocational qualification. Another possible reason is the pattern of employer behaviour where the most recent workers employed are the first to be dismissed (the LIFO principle adjusted to employment). Also, youths are often hired in temporary jobs with no guarantee of contract renewal and therefore they face a high probability of unemployment. Compounding the problem is the prevalent trend among the youth to try out several occupations before finally settling down.

In Estonia youth unemployment has also dramatically increased, amounting to 15.7% in 1998. Every year witnesses a growing number of youths graduating school in the spring and registering themselves as unemployed by October 31 of the same year. For Estonia one cause of unemployment is admittedly the absence of practical working skills in school graduates. In a situation where job content becomes increasingly complicated and specific, youths who lack professional training finds it exceedingly hard to find work. Employers are usually looking for skilled workers. As there is an otherwise redundant but qualified workforce available, youths with little experience have no competitive edge and are unable to compete. Consequently young people with only secondary education and dropouts will constitute a serious risk group in the future.

To compete in the labour market, specific personal qualities are called for, including social readiness to actually start working. Young people often have a high opinion of themselves and are not happy about the idea of beginning a career from the lowest rung on the ladder. Whereas at the beginning of 1990s employers preferred to hire youths, this is no longer the case.

The basic direction of the European Union's labour market policy emphasises the importance of increasing youth employment. It is emphasised that each and every youth entering the labour market must have an educational basis and qualifications which will allow him or her to find a suitable job. To achieve this, each young person must be guaranteed the opportunity to receive appropriate training within the first six months of unemployment. Many countries are greatly concerned about getting youths to settle down in a job as quickly as possible. As the first step, excellent cooperation between the educational system and business is set up to provide the best possible training. As a result of cooperation between the state and business, there are employment creation schemes to set up jobs for young people with the support of the government. There are also career centres which offer assistance and advice.

As youth unemployment is often the result of leaving school early, the Member States are endeavouring to cut the number of dropouts by half to reduce the number of youths with unfinished secondary education. One measure in this direction is the modernisation of the vocational education system to make it more flexible. Another measure is more extensive use of specific training and probationary periods in new jobs to help young persons ease into the labour market.

Compliance of Estonian labour market policy with the primary goals of European Union labour market policy

In 1994 in Essen, the European Council approved five principle goals for the development of the labour market:

- improvement of the quality of labour by enhancing the level of vocational training;
- growth of productive investments through a moderate salary policy;
- increasing the efficiency of labour market institutions;
- injection of additional resources for employment creation, first and foremost by wider recruitment of local initiative;
- bringing high-risk groups (the young unemployed, long-term unemployed and women) to the labour market.

Further improvements on the strategy have focused mainly on restructuring labour market pol-

[1] The above figures may be somewhat misleading, because the respective unemployment rates have been calculated as the ratio of number of unemployed to the labor force. The majority of 15–24 years-old youths are enrolled in the educational system and thus belong to the category of non-active people. Consequently, the absolute figures used to calculate the unemployment rate are relatively low, but the percentage is relatively high. In the age group 25–49 the majority of people are actively involved in the labor market, conseqeuently their unemployment rate is significantly lower. In the European Union and Estonia there is a tendency for youth to stay in the educational system for longer periods. Labor force participation rates have significantly dropped in the European Union in the 1990's – from 55% to 45% by 1998. This decrease was caused primarily in the period of economic recession.

icy. The main emphasis has been placed on the implementation of measures as part of an active labour market policy. At the EU Member States summit in Luxembourg in 1997, the strategic priorities or so-called four pillars of labour market policy were defined. These are a new culture of entrepreneurship, a new culture of employability, a new culture of adaptability and a new culture of equal opportunity. These principles were to serve as the basis for designing the labour market policies of the Member States in the following years.

The Amsterdam Treaty which took effect on January 1, 1999, stipulates very concrete directions of development and the long-term strategy for the labour market policies of Member States (cf. box 3.1). As compared to earlier strategies, however, the Amsterdam Treaty does not include many substantial improvements. Yet the agreement specified in much greater detail the tasks of the Council of the European Communities and European Commission in the implementation of labour market policies, giving them greater opportunities than ever before. The European Parliament is also involved in the decision-making process in a wider scope. In addition, the Social Protocol further specified the responsibility of social partners and possibilities for cooperation.

In Estonia, the Employment and Training Development Plan compiled in the Ministry of Social Affairs in 1999 establishes the following goals:

- To increase the flexibility of the education system and to strengthen the capacity of the education system according to the changes in the education, social and economic sectors;
- To provide employers and employees with the possibility to acquire the skills and knowledge necessary for coping with professional, structural and technological changes;
- To integrate persons in risk groups into the labour market and to provide them with access to education;
- To guarantee equal opportunities to men and women in the labour market.

To achieve these goals activities will be focused on the following priorities (cf. box 3.2):

- To promote primary vocational education and vocational higher education;,
- To expand the opportunities for in-service training and to enhance its quality;
- To integrate persons in risk groups into the labour market and to provide them access to education;
- To ensure equal opportunities in the labour market for men and women;
- To organise and raise the efficiency of support systems for employment and training.

BOX 3.1.

Some highlights of labour market policy contained in the Amsterdam Treaty:

- A high employment rate was declared to be a priority macro-economic goal for the European Union.
- It was emphasised that employment issues are a common problem affecting all Member States. Hence the Member States must coordinate decisions affecting labour market policy on the Union level. Within the European Monetary Union, the labour market policy decisions of one Member State will indisputably affect the labour markets of the others.
- Art. 127 highlights the fundamental character of labour market policy and its prevalence over other European Union policies. This implies that when designing and implementing other policies, their impact on employment and the labour market as a whole must be taken into consideration.
- A concrete system to coordinate labour market policy on the European Union level was defined. Member States will submit an annual labour market report to the European Commission. On the initiative of the European Commission, the Member States will receive an annual labour market development plan which will also be approved by the Council of the European Communities. The European Commission may (with the approval of the Council) issue recommendations to Member States for amendment and improvement of their labour policies.
- A new institution, the Employment Committee, was established to consider issues of labour market policy and structural policy through open discussions.
- For the first time, a legal basis was established for the analysis, research and exchange of information concerning labour market issues at the Commission and Council level.
- The principle of qualified majority voting will facilitate the adoption of decisions and recommendations concerning the labour market and employment.

Source: Eamets, R. Eesti tööturg ja tööpoliitika Euroopa Liitu integreerumisel. Tartu, 2000.

BOX 3.2.

Strategies for fulfilment of the Employment and Training Development Plan of Estonia

- Prevention of unemployment.
- Increasing the importance of active labour market measures in comparison with passive measures.
- Application of the lifelong learning principle.
- Openness of the labour market and equal opportunities in the labour market for all population groups.
- Development of social partnerships and wider involvement of social partners in solving employment and social policy problems.
- Development of entrepreneurship and the creation of new jobs.

Source: Estonian Employment and Training Development Plan.

Problems faced by the Estonian labour market policy

Integration with the European Union requires the harmonisation of Estonian labour market

policy with EU principles. In order to do so Estonia has to take steps to increase social guarantees, to raise the efficiency of labour market policy measures and in particular the share of active policy measures. Although for both the EU and Estonia the priority areas and labour market policy strategies are inherently similar, Estonia will face serious challenges when implementing labour market policy measures (Eamets et al, 2000).

• *Expenditures to be made in the social sphere.* In the years 1994–1997, Estonia spent on average 15–17% of GDP on the social sphere, whereas in the European Union the respective average indicator was 28%. In absolute figures, the picture was even worse: in the European Union expenses incurred in the social sphere were 4800 ECU per person in 1995, compared to as little as 619 ECU per person in Estonia (Püss, 1999).

• *Active and passive labour market policy measures.* Despite the rather low unemployment benefit rates, Estonia allocated 65.6% of all labour market expenditures to passive measures in 1999. This shows that Estonia has predominantly engaged in passive labour market policy. The most widely spread active labour market policy measure has been labour market training. The number of people participating in training programs, however, has recently decreased. In 1998, only 16% of the registered unemployed participated in training programs through employment services, meaning that only 10% of all actually unemployed persons acquired some sort of labour market training. The decreasing number of participants at courses was primarily due to the fact that attendance has become increasingly more expensive. From 1995, emphasis in training of the unemployed has been placed on specialised training, and the efficiency of courses has significantly risen.

• *Social security of the population.* Unemployment benefits constitutes less than 10% of the average wage in Estonia, whereas in the European Union the respective indicator is 40–60%. In Estonia, the benefit is paid only for six (or in some cases nine) months. Curiously, while the European Union plans to guarantee to all its unemployed the opportunity of in-service training and retraining in the first twelve months of unemployment, in Estonia such people will legally no longer be considered unemployed during this period.

• *Cooperation between labour market institutions and the educational system.* All components of the educational system and especially of vocational education will be changed so that they will meet the demands of the market. Until now, an effective training system for adults exposed to the risk of redundancy or changes in job descriptions has been conspicuously lacking in Estonia. The situation is further complicated by the fact that the national economic development plan does not identify priority economic sectors for development. A more detailed national plan would provide educational planners and providers with the necessary information for better use of resources and allow them to guide the development and specialisation of vocational and professional skills.

• *Interrelating labour market policy and regional policy.* Labour market policy should be closely related to regional policy, particularly as regional differences in the labour market in Estonia have increased during the transition period. To do so, entrepreneurship and job creation must be stimulated in regions of high unemployment.

• *Insufficient development of social partnerships.* Despite certain progress in bilateral and trilateral negotiations and social partnerships, the rate of development in these areas is unsatisfactory. In order to further promote the trilateral principle, an institutional approach is necessary, as well as the development of existing trilateral institutions. The level of participatory democracy, particularly industrial democracy, and the level of general democratisation of internal industrial relations within companies is low. Industrial democracy and particularly the principle of participative management has encountered opposition from employers.

• *Development of labour market institutions.* In the case of Estonia, it is essential to improve the image of employment agencies, the quality of labour market services and contacts with companies. The main shortcoming of the labour market services offered is the insufficiency of information on available vacancies and the lack of knowledge of what qualifications are required in the private sector. This leads to shortcomings in the training of the unemployed. Coordination and cooperation between the Ministry of Social Affairs, Labour Market Board, other governmental agencies and the counties and local governments have not been adequate. There is therefore an inability to understand the needs of the population and a lack of effort to meet these needs. A national system for analysis and dissemination of data and information is also lacking.

In Estonia, the system of financing labour market policy needs a drastic overhaul. Above

all, funding must be increased substantially, not just by a few percentage points. In view of the current developments in the Estonian economy, such a dramatic increase in labour policy-related expenditure will be difficult. It might take years before the reforms in the administrative system, budget and monetary policy can bring about changes in the budget to eventually increase labour market policy expenditures.

References

Eamets, R. (2000). Eesti tööturg ja tööpoliitika Euroopa Liitu integreerumisel. Euroopa Kolledži loengud. Vihik nr 1. Tartu.

Eamets, R., Philips, K., Annus, T. (2000). *Eesti tööturg ja tööpoliitika*. Tartu: Tartu Ülikooli Kirjastus.

Employment in Europe 1999. (1999). Luxembourg: Office for Official Publications of the European Communities.

Püss, T. (1999). Pension Insurance in Estonia in Integration with the EU. In Ü. Ennuste & L. Wilder (Eds.), *Harmonisation with the Westrn Economics. Estonian Economic Developments and Related Conceptual and Methodological Frameworks* (pp. 151–168). Tallinn: Eesti Majandusinstituut ja Tallinna Tehnikaülikool.

3.2. The Gender Dimension of the Labour Market: Estonia against the Backdrop of Europe

Since World War II, the employment rate of the Estonian population has been relatively high and differences in the rates of male and female employment have been small. In the context of restored statehood in 1991 and the massive reorganisation of social life, economic reforms were primarily responsible for bringing about changes in the labour market. These changes affected men and women somewhat differently. It is useful to examine these changes in a comparative framework, examining them together with similar developments in Eastern Europe. This allows us to ascertain whether such changes were inherent to Estonia or common to all post-socialist societies. This is followed by a comparison with Western European countries, which explores the convergence/divergence of the position of Estonian men and women in the Estonian labour market compared with that of men and women in well-established, economically advanced societies.

Employment Rate

The Employment rate of Estonia men and women is different. The employment rate of men is significantly higher, as it has been for the past decade. An analysis of employment trends, however, clearly suggests a decline in employment for both groups. Interestingly, the rate of labour engagement among women plummeted compared to men (meaning that they moved into the group of those less mobile), but the decline in the rate of employment was more or less equal for both groups. The share of women in aggregate employment has changed little in the 90s in both East and West European countries (cf. Figure 3.4).

There is a clearly distinguishable critical moment in the overall depression of employment. The years of 1992–1993 (i.e. the time of

FIGURE 3.4.
Share of women in employment in selected European countries 1993 and 1997, %

Country	1993	1997
Bulgaria	46.6	46.8
Latvia	—	48.1
Poland	45.2	44.7
Slovenia	46.7	46.1
Czechia	43.9	43.5
Hungary	45.7	44.0
ESTONIA	**47.1**	**47.9**
Holland	40.6	42.2
Italy	36.9	38.1
France	44.7	45.5
Sweden	—	47.7
Germany	42.6	43.2
Finland	—	47.7
Great Britain	43.4	44.3
Denmark	47.1	46.0

Sources: Estonian labor surveys; Central European countries employment and labor market review, 1999; Eurostat Yearbook 98/99, 1999.

TABLE 3.1.

Main activity of 20-54 years-old men and women in selected post-socialist countries 1988 and 1993, %

	1988						1993						
	B	P	Cz	H	R	E*	B	P	Cz	H	R	E	E99**
WOMEN													
Working	85	79	87	81	92	86	72	67	79	66	84	74	71
Unemployed	1	1	0	0	0	1	13	10	2	9	2	5	9
On maternity leave	10	7	8	9	4	8	8	6	11	11	7	10	8
Housekeeping	2	9	2	5	1	1	1	11	2	4	3	3	5
Retired	1	0	2	4	1	0	3	1	4	7	1	1	1
Others	1	4	1	1	2	4	3	5	2	3	3	7	6
MEN													
Working	90	91	95	93	93	94	77	82	91	75	93	84	76
Unemployed	1	1	0	0	0	0	15	8	2	15	1	7	13
Retired	2	0	1	3	1	0	2	0	3	4	1	0	0
Others	4	8	4	4	6	6	6	10	4	6	5	9	11

B - Bulgaria, P - Poland, Cz - Czech Republic, H - Hungary, R - Russia, E - Estonia

* *1989 data, insofar as the retrospective part of the Estonian Labor Force Survey (ELFS) reached back to 1989*
** *ELFS data 1999, 2nd quarter*

Sources: ELFS; Lippe & Fodor, 1998.

the massive streamlining of the Estonian economy) had a dramatic impact on the labour market. The pioneering years of constructive engagement in the market economy are of particular interest as they witnessed a drastic reshuffling of existing structures in both Estonia and other Eastern European countries. The trends in employment in Estonia as a whole as well as by gender are not unlike those of other European countries. Data presented in Table 3.1, describing the main activity of 20–54[1] year old women and men in selected Eastern European countries, confirm that in the period 1988–1993 (i.e. the transitional period), the share of working women and men decreased in each of the countries surveyed. If prior to the changes the share of working women in these countries ranged between 80–90 percent, then five years later, it had for the most part dropped below 80 percent. In Poland and Hungary this share dropped even below 70 percent. Only in Russia did this indicator remain above the 80 percent threshold. As the share of working men was higher than that of women, the share of working men remained higher five years later. The most significant decrease in the share of working men and women occurred in Hungary and Bulgaria. In Estonia, it was lower than in those countries, but higher than in the Czech Republic or Russia. The data on Estonia for the second quarter of 1999 demonstrate a further decline in the share of working men and women, with the decline being slighter greater among women.

The 1990s ushered in the novel experience of unemployment in post-socialist countries. Prior to the transition, unemployment was negligible, if it existed at all. However, the year 1993 heralded the appearance of an army of unemployed in all of the countries included in the survey, with the exception of Russia. The

[2] The database of the survey carried out in Eastern-European countries ("Social Stratification in Eastern Europe after 1989") specifically relies on this age group for the reason that the data of different countries is thereby more easily comparable — hopefully, nearly all those aged 20–54 are active. Inclusion into the survey of older people may be unwise, because the retirement age in those countries ranges from 55–65 (Lippe, Fodor, 1998).

TABLE 3.2.

Employment rate and unemployment rate in 15–64 years-old in selected Western European countries and Estonia, %

Country	Employment rate				Unemployment rate			
	1993		1997		1993		1997	
	M	F	M	F	M	F	M	F
Belgium	67(67)*	45(39)	68(66)	47(40)	6.9	11.8	7.2	11.9
Spain	62(61)	31(28)	64(62)	34(31)	19.1	29.3	16.1	28.3
Italy	70(69)	36(35)	66(66)	37(35)	7.8	14.8	12.6	13.7
France	69(68)	53(46)	68(66)	53(46)	10.0	13.8	10.7	14.4
Sweden	73(68)	72(59)	71(67)	68(56)	11.1	7.7	10.2	9.5
Germany**	74(70)	54(44)	69(68)	54(43)	6.6	9.6	9.3	10.8
Finland	63(61)	59(55)	67(65)	61(57)	18.5	15.3	12.6	13.7
Great Britain	75(72)	62(46)	78(73)	64(48)	12.3	8.1	7.8	6.0
Denmark	79(76)	71(58)	84(77)	71(60)	9.6	10.8	4.6	6.6
ESTONIA	**75**	**63**	**71**	**60**	**7.4**	**6.8**	**9.8**	**9.4**

* *In brackets. employment is presented as full-time-equivalent employment rate.*
** *Together with the former East Germany.*

Sources: ELFS. Employment in Europe 1997, 1998.

share of unemployed men was particularly high in Bulgaria (15.4) and Hungary (14.8). There were also many unemployed among the women of Bulgaria, Poland and Hungary (12.5%, 9.6% and 9.2%, respectively). It should be pointed out that Estonia is among those East European countries in which the unemployment of men has been higher than that of women since the mid-1990s.

A comparison of the employment rate of Estonian men and women to the corresponding employment rates in Western European countries demonstrates the following. In the first half of the 1990s, the employment rate of Estonian men was comparable first and foremost to Great Britain and Germany. However, the rates of employment among men in the majority of European countries were lower than in Estonia. In the second half of the 90s, the employment rate of Estonian men dropped to a level closer to that of other Western countries. When characterising the employment rate of women, it should be noted that countries in the West never achieved as high a level as did the former socialist countries. Economic reorganisation in the latter precipitated a drop in the employment rate of women. Therefore, the levels of employment among Eastern and Western women have been growing closer, although differences still exist. In some countries, however, (e.g. Sweden and Denmark) the employment level of women in the 90s is even higher than in Estonia. Also, quite a few women in Western European countries work part-time. The employment rate of women is altered somewhat by statistically reducing part-time work to its full-time equivalent using an appropriate coefficient.

In the first half of the 1990s, the unemployment rate of men and women in Estonia (cf. Table 3.2) was lower than in the majority of Western European countries. In the second half of the decade the rate increased among both men and women, surpassing the rates of Great Britain and Denmark. Hopefully, the unemployment rate in Estonia will not continue the upward climb to reach the level of Spain in general, and Spanish women in particular. The situation in Estonia in which the unemployment rate of men has surpassed that of women has only been seen in Sweden and Great Britain in 1997. In other countries in the survey, women's unemployment had clearly overtaken that of men.

Employment in three main economic sectors by gender

It is interesting to examine the results of an analysis of male and female employment in Estonia in the three main economic sectors and

TABLE 3.3.

20–64 year old employed men and women by three main economic sectors in selected post-socialist countries, %

Country and year	Women			Men		
	Primary sector	Secondary sector	Tertiary sector	Primary sector	Secondary sector	Tertiary sector
1988						
Bulgaria	22	37	41	23	44	33
Poland	20	24	57	21	42	37
Czech Republic	13	38	49	16	53	31
Hungary	13	35	53	20	46	35
Russia	14	35	52	23	42	35
ESTONIA*	14	33	54	27	43	30
1993						
Bulgaria	17	34	49	19	38	43
Poland	17	21	62	18	39	43
Czech Republic	10	33	57	12	51	37
Hungary	8	27	65	15	39	46
Russia	11	33	56	23	37	40
ESTONIA	**11**	**29**	**60**	**22**	**40**	**38**

* *1989 data.*

Sources: ELFS; Lippe & Fodor, 1998.

how they compare with European post-socialist countries on the one hand, and Western European countries on the other. A comparison with Eastern-Europe for the years when these countries were in transition from a planned economy to a market economy allows us to pinpoint both the general trends in the employment structure for men and women, as well as the Estonia-specific developments against the backdrop of other countries. (The data are for the years 1988 and 1993. However, due to the Estonian Labour Force Survey (ELFS), Estonian data are for 1989 and 1993). Comparing the Estonian data with those of the West European countries for 1990 allows us to analyse whether or not changes in the employment of Estonian men and women according to economic sector will narrow the gap between Estonia and Western countries. A greater similarity will be conducive to Estonia's entering the European Economic Community.

The data in Table 3.3, which present changes in the structure of employment according to gender in selected post-socialist countries, indicate the following. The employment structure of men and women according to sectors of the economy were different, both prior to reorganisation and after the crucial changes had taken place. In 1988, the employment of women both in the primary and secondary sectors was lower than the employment of men in all of the countries under consideration. The employment of men was highest in the secondary sector, especially in the Czech Republic where it constituted over half of all men employed. Conversely, women had rallied to the service sector (tertiary sector), constituting over half or more of all women employed. The highest share of women in the service sector was found in Poland (57%). The opposite extreme was in Bulgaria (41%). The employment structure of Estonian men and women against the backdrop of Eastern European countries at the end of the 80's reveals a great deal of similarity with the above countries. In Estonia, too, over half of women were employed in the service sector and men were mainly employed in the secondary sector. Setting Estonia somewhat apart is the fact that no other Eastern European country had employed so many men in the primary sector — a bit over one quarter of all men employed.

The reorganisation of the economy which was launched at the end of the 80s in Eastern

TABLE 3.4.

15–64 year old men and women by three main economic sectors in selected Western European countries and Estonia, %

Year and country	Women			Men		
	Primary sector	Secondary sector	Tertiary sector	Primary sector	Secondary sector	Tertiary sector
1992						
Spain	8	16	76	11	41	48
Holland	2	11	87	5	34	61
Italy	10	22	68	8	39	53
France	5	17	78	7	39	54
Germany	4	24	72	4	50	46
Great Britain	1	16	83	3	41	56
Denmark	3	16	81	7	37	56
ESTONIA	12	30	58	22	42	36
1997						
Spain	6	14	80	9	39	52
Holland	2	9	89	5	32	63
Italy	6	21	73	7	38	55
France	3	14	83	6	36	58
Germany	3	19	78	3	47	50
Great Britain	1	13	86	3	38	59
Denmark	2	15	83	5	36	59
Sweden	2	12	86	5	38	57
Finland	5	14	81	10	40	50
ESTONIA	**7**	**25**	**68**	**13**	**41**	**46**

Sources: ELFS; Eurostat Yearbook 98/99, 1999.

European countries was accompanied by significant changes in the employment structure of men and women according to economic sectors which acquired the characteristics of the employment structure of advanced Western European countries. This was manifested by the fact that in 1993, in all countries surveyed, employment in the primary and secondary sectors had dropped among men and women (in Russia, however, the share of men employed in the agrarian sector remained the same). At the same time, the share of employment in the tertiary sector had grown significantly. At the end of the 80s, this sector was the largest employer of women only. However, by the first half of the 90s in Hungary, Poland, Russia and Bulgaria it had become the largest employer of men as well. In principle, the same tendencies were in evidence in Estonia. The share of employed men and women decreased in the primary and secondary sectors and increased in the service sector, amounting to as high as 60 percent for women. Notably, however, unlike in several other post-socialist countries, the service sector did not represent the largest employer of Estonian men by 1993. The largest share of Estonian men remains employed in the secondary sector, although not to the same degree as prior to the changes.

A comparison of the employment structure of Estonian men and women with that of Western European countries (the data allow to compare the years 1992 and 1997 in the age group 15–64) yields a picture dramatically different from that described above (cf. Table 3.4). Characteristic to the countries with an advanced market economy is, in particular, a high employment rate of women in the tertiary sector, amounting to 70–80 percent at the beginning of the 90s (in Holland as high as 87%), with Estonia sporting the respective indicator beneath 60 percent. To balance the scale, Estonian women are, more often than

TABLE 3.5.

Occupational mobility of 25–69 year old men and women between 1988 and 1993 in selected post-socialist countries, %

Country	Immobile	Upward mobility	Downward mobility
Bulgaria			
Men	84	8	8
Women	85	8	7
All	84	8	8
Poland			
Men	76	13	10
Women	84	8	8
All	80	11	9
Czech Republic			
Men	79	13	8
Women	80	9	11
All	80	11	9
Hungary			
Men	80	12	8
Women	82	9	9
All	81	11	8
Russia			
Men	87	6	7
Women	86	6	8
All	87	6	7
ESTONIA 1*			
Men	79	12	9
Women	77	10	13
All	78	11	11
ESTONIA 2**			
Men	66	15	19
Women	64	13	23
All	65	14	21

* *Data reflect mobility between 1989 and 1993.*
** *Data reflect mobility between 1989 and 1995.*

Sources: ELFS; Lippe & Fodor, 1998.

their counterparts in Western Europe employed in the primary sector (12%, in the West up to 5%, in Spain and Italy somewhat more at 8 and 10%, respectively) and the secondary sector (30%, elsewhere below 24%). The data for men confirm that their employment structure was more similar to the countries in Western Europe. More specifically, the share of Estonian men employed in the secondary sector (42%) at the beginning of the decade was quite comparable to Great Britain and Spain (41% in both), to say nothing of Germany (50% of men employed in that sector). Nevertheless, men were the minority in the tertiary sector, apparently due to the high employment of men in the primary sector. In Estonia, the primary sector employed one in every four to five men, while in Spain only one in nine, in Italy, one in twelve, in Denmark and France, one in fourteen, and so on. By the second half of the 90s, all Western European countries surveyed witnessed an increased share of those employed in the service sector, among both men and women. This trend was accompanied by a lesser share of employment of men and women in the primary and secondary sectors. A similar tendency is also in evident in Estonia. It is important to emphasise that the employment structure of Estonian men and women in the second half of the 90'ss continued to be different from that of Western European countries, although the difference was blurred and no longer as distinct as at the beginning of the decade. A significant decrease has taken place in the employment of women and men in the primary sector (respectively, from 12% to 5%, and from 22% to 13% of all employed persons). Employment in the service sector is increasing at the same pace (for both genders 10%, amounting to 68 and 46% of the total employed, respectively). Hence, we are fully justified in claiming that the employment structure according to gender and economic sector in Estonia has in the 90s become quite similar to that of countries with advanced market economies. Provided that the same tendency continues, the differences should disappear in the not too distant future.

Occupational mobility

It has been asserted that at the end of the 80's and beginning of the 90's due to the restructuring of the economy, the situation of women was painfully affected in most post-socialist countries. Many women found themselves redundant. Some resigned or were forced to do so, and some never returned to the workforce. The change of the situation in the labour market should also be reflected in the clear difference in the occupational mobility of men and women of the same generation. It can be assumed that as conditions became more difficult for women, more women changed occupations. It is important to know, from the point of view of occupational restructuring, whether women were more apt to move up or down on the career ladder compared with men, and whether such tendencies are inherent to Estonia only, or whether such

TABLE 3.6.

Gross hourly wages of women as a % of gross hourly wages of men in selected Western Europeancountries and Estonia,1995

Country	All	1	2	3	4	5	6	7	8
Austria	73.6	67.1	79.9	72.9	80.2	77.7	69.0	72.5	76.2
Belgium	83.2	73.0	82.0	85.5	83.9	79.5	83.4	78.8	84.0
Spain	74.0	70.2	78.4	82.8	77.1	78.0	70.7	73.3	82.5
Holland	70.6	62.0	74.0	72.0	75.3	71.1	74.9	68.1	76.0
Italy	76.5	73.8	83.7	82.0	78.8	81.8	76.7	74.9	83.9
Greece	68.0	77.9	70.7	73.4	78.1	64.1	59.3	70.9	80.7
Portugal	71.7	74.9	88.9	84.7	83.7	83.1	62.9	72.6	83.0
France	76.6	67.6	79.1	85.6	91.4	87.7	80.0	79.7	86.5
Sweden	87.0	78.5	87.8	86.5	96.1	95.1	91.3	95.1	88.5
Germany	76.9	68.7	80.4	73.2	79.7	69.1	75.7	78.8	81.4
Finland	81.6	81.4	84.0	78.2	93.7	86.0	81.3	81.7	82.7
Great Britain	73.7	67.6	83.7	73.3	92.7	82.2	62.1	76.4	81.0
Denmark	88.1	74.9	86.5	80.1	84.9	84.6	90.9	88.5	83.9
ESTONIA	**73.3**	**74.4**	**76.2**	**72.1**	**75.8**	**61.9**	**77.0**	**88.5**	**72.1**

1 Legislators, senior officials and managers
2 Professionals
3 Technicians and associate professionals
4 Clerks
5 Service workers, shop and market sales workers
6 Craft and related trades workers
7 Plant and machine operators and assemblers
8 Elementary occupations

Sources: Estonian Statistical Office (Hourly wages 1995); Statistics in Focus, 1999.

trends prevail in other post-socialist countries as well.

A comparison of ELFS data with the results of surveys carried out in the countries of Eastern Europe reveals (cf. Table 3.5) demonstrates both. The countries surveyed manifested similar yet also different tendencies. Estonia, too, was both similar to and different from other countries emerging from the post-socialist environment, as for example with regard to the occupational mobility of men and women. The share of old-timers, i.e. employees that did not change occupation between 1988 and 1993, among 25–69 year old men and women in the Czech Republic, Hungary and Estonia (period 1989–1993) was approximately four-fifths. In Poland, where the political upheaval and economic reorganisation had an earlier start, the share of immobile employees was somewhat smaller. Russia and Bulgaria which embarked on the arduous path of economic restructuring much later are unique in that at the beginning of the 90's they also enjoyed a significantly larger share of old-timers in the composition of the labour force. As Estonia's thorough economic reorganisation started only in 1992, the period between 1989–1993 is not the best for analysis. For Estonia, it would be more beneficial to trace the occupational mobility of men and women in the period 1989–1995. This shows, as was to be expected, that the share of immobile employees was as low as two-thirds, meaning that a third of the labour force chose or was compelled to change occupations. Unfortunately this author had no access to the corresponding figures for other post-socialist countries during this period, and therefore it is difficult to say how Estonia-specific or general the above phenomenon was. It may well be that if a longer period were examined the share of mobile labour for both men and women would have proved higher in other post-socialist countries as well. It is also evident that men are more likely to move upwards than women when occupationally mobile, although the differences are relatively small and, in some countries such as Bulgaria and Russia, insignificant.

Difference in wages and salaries

It is common knowledge that in all advanced countries there is a yawning gap between the average wage levels of women and men. In that respect, Estonia does not differ too much from other European countries. In Estonia, the average wage of women has been lower than that of male workers throughout independence, and this difference has continued to grow. In 1992, the average wage for women in Estonia constituted 80% of that of men, while in 1997 it was only 72%. A comparison of data for Estonia and other European countries (1995 database) suggests that Estonia is not unique in this regard (cf. Table 3.6). Whereas the average wage of women in Estonia in 1995 constituted 73.3% of the average wage of men, in Greece, Holland and Portugal the wage differential was even larger, notably ca. 70% or lower. Austria, Great Britain and Spain were similar to Estonia in this aspect while the former West Germany, France and Italy boasted better figures. The average wages of women in those countries constituted 75–80 % of the wages of male workers. In countries like Finland, Belgium, Sweden, Denmark and the former East Germany, the average wages of female workers lagged behind the average for male workers least of all, at 83–90%. This data confirms that the situation in Europe is diverse, and that it cannot be said that gender related wage differentials are dependent only on the level of economic development of a given state. Nonetheless, the Nordic countries have achieved more success in reducing the wage differential between men and women as compared to the remaining European countries. Estonia has a long way to go to reach Scandinavian levels. The wage differential between Estonian men and women is more similar to the trend in the economically less advanced South-European countries although the situation is comparable to Holland, Austria and Great Britain.

In addition to the blanket indicators for wage differential between men and women by country, the same indicators are also of interest by occupation. In the 90's there was not a single occupation in Estonia in which women received the same wages as men, and a higher wage was also unheard of. The smallest difference was found among clerks where in 1997 female clerks earned 90 percent of the average wage of male clerks. The greatest differences were revealed among service workers and shop and market sales workers, with the average wage for women at just a bit over three-fifths of the average for men. Again, Estonia demonstrated the same pattern as other European countries. In those countries equality between men and women does not exist either and women are clearly at a disadvantage as far as average wage is concerned. Discrimination was particularly striking in almost half of the EU countries among legislators, chief executives and senior civil servants, with women's salary at barely 70% of men's. The wage levels for men and women were closest among clerks in France, Finland, Sweden and Great Britain with women earning only 10% less than men. It should be pointed out, however, that in a number of occupations the average wage of Estonian women was significantly lower than the average for men, as compared to their counterparts in the majority of Western European countries. For example, in 1995 Estonian female unskilled workers took home 72.1 percent of the average wage for men. In Western Europe, there was not a single country in which this gap was so large. Holland and Austria were closest to Estonia's position, where women earned, on average, 76 percent of men's wages. In the remaining countries, this indicator was over 80 percent. In principle, the same pertains to technicians and mid-level specialists, clerks, service employees and shop and market sales workers. In no other European country (except for Holland) was the average wage of women as much lower as in Estonia.

The wage differentials can be accounted for by the fact that in Estonia, like in other advanced countries, men and women are engaged in different work. Men dominate in sectors of the economy like mining, power engineering, gas- and water supply and construction; women are the majority in health care and social work, education, scientific research and culture. In the 90's when the Estonian economy was reorganised, certain sectors of the economy (retail- and wholesale, repair of home appliances and consumer goods, financial brokerage and real estate) developed faster than others and therefore attracted more men, but this did not change the fact that gender segregation has existed and does exist in the Estonian labour market. Segregation operates both horizontally and vertically, that is to say that women are primarily concentrated in occupations which are not particularly prestigious and also receive wage levels considerably lower than the average male. Women are also the minority in high positions. This is characteristic to both Eastern

and Western European countries. In this sense, Estonia does not differ from Europe, but how Estonia will endeavour to solve these problems is another matter. The first step would be to recognise the principle of equal pay for equal work, regardless of the gender of the employee. The results of several surveys have shown, however, that the wage differentials of men and women working for the same employer are minimal (Petersen, Morgan, 1995; Petersen et al, 1997). This adds to the difficulties in decreasing differences in wages due to gender.

References

Central European Countries' Employment and Labour Market Review. Luxembourg: Eurostat, 1999.

Eamets, R.; Philips, K.; Annus, T. (2000). *Eesti tööturg ja tööpoliitika*. Tartu: Tartu Ülikooli kirjastus.

Employment in Europe 1998. Luxembourg: Eurostat, 1999.

Employment in Europe 1997. Luxembourg: Eurostat, 1998.

Eurostat Yearbook 98/99. A Statistical Eye on Europe. Data 1987–1997. Luxembourg, 1999.

Lippe, Tanja van der & Fodor, E. (1998). Changes in Gender Inequality in Six Eastern European Countries. *Acta Sociologica,* 41, 131–149.

Petersen, T.; Morgan, L. (1995). Separate and Unequal: Occupational-Establishment Sex Segregation and the Gender Wage Gap. *American Journal of Sociology,* 101(2), 329–365.

Petersen, T.; Snartland, V.; Becken, L.E.; Olsen, K. M. (1997). Within-Job Wage Discrimination and the Gender Gap: The Case of Norway. *European Sociological Review,* 13(2), 199–213.

Statistics in Focus (1999). Theme 3, Vol.6.

Tunnipalgad. Oktoober 1995. Tallinn: Statistikaamet, 1996.

3.3. Linkages between the education system and labour market: Estonia against the backdrop of EU countries

Linkages between the education system and the labour market have recently received a great deal of attention in sociological literature for reasons of growing unemployment among the entire population and among the youth in particular in the majority of European countries. Generally, the success of a person in the labour market depends on the various resources (assets) he/she holds and also on whether he/she has a chance to convert educational resources into a beneficial labour market position. In the final analysis it depends on whether, if at all, and to what degree those resources are appreciated and sought in the labour market. The earlier treatments (e.g. the economic human capital model and sociological model of status attainment) focused mainly on the impact of individual resources (educational level, work experience), or on factors closely associated with the person (gender, nationality, social origin etc.). More recently surveys which analyse more general linkages and operate on the level of structural institutions (in this case between the labour market and educational system) have prevailed (Kerckhoff, 1995; Marsden, 1997; Müller, Shavit, 1998). Findings show that the impact of individual resources depends on the institutional context, i.e. the institutional arrangements of educational systems, organisation of the employment system and linkages between those institutions (Rosenbaum et.al., 1990; Hannan et.al., 1997).

Changing role of education in society and the economy

The respective roles of education and labour in human life are in flux. The employment crisis has generated a dramatic increase in the demand for education. And yet, education which is often viewed as a major engine of economic growth may very well evolve into a powerful tool of social marginalizsation and exclusion. Nowadays, learning no longer ends with formal education acquired in one's youth. In post-industrial countries, the overall structure of education is being transformed: the initial training is becoming more universal and longer, but is now only the first cycle of organized educational life. Thus, further and continuing training have assumed an increasingly important role as the shaper of the labour force as an effective complement to formal education.

BOX 3.3.

Does education matter in the economy?

Sociological studies on linkages between the economy and education have a long history. These linkages are considered both on the macro-level, i.e. on the level of society as an integral entity and on the micro-level, i.e. on the level of an individual. More specifically, on the macro-level one is interested in whether and how the educational system can promote economic growth as well as whether and how the economy contributes to educational expansion. On the micro-level, the results of education, its effect on labour market perspectives (primarily employment, occupational status and wages) for individuals are brought into perspective.

The history of approaches to studies of reciprocal relationships between education and economic activity is shown as evolving in three stages (Rubinson, Browne, 1993). The initial, optimistic stage is based on the common assumption that education is a precondition to both individual economic advancement and national economic growth. Those studies were built on functional theory in sociology and human capital theory in economics. The general belief was that education would enhance the productivity of national economies through increasing the productivity of individuals.

The area then shifted to a more "cynical" period based on stratification theories. Education was believed to yield very little (if any) economic benefits. It was approached as a process of status competition or class reproduction. According to the institutional approach there would not also be a necessary relationship between education and the economy. Notably, according to the institutional approach the expansion of education rests in the development of the nation state and citizenship, rather than in the economy or stratification systems. The former factors are seen as global processes, intrinsic to the constitution of the capitalist world economy and Western traditions of rationality and individualism. Compulsory education is viewed as the engine to establish the legitimacy of nation states.

Now the field seems to be moving to the "prosaic" period, which set in when the universalistic approach to the relationship between the educational system and the economy was overcome in favour of a more conditional, refined theory. Now the main research issue is focused on the conditions the educational system must meet, in order to contribute to economic growth. Status competition, class reproduction and use of human capital are conceived as social processes that either promote or hinder economic growth. The growth of human capital would trigger economic growth to the extent that knowledge and skills produced by the educational system are demanded in the economy. The more the educational system reproduces the class structure, the less its beneficial effect on economic growth. The more salient are processes of status competition and class reproduction in the educational system, the lower the level of economic effects of education (Rubinson, Browne, 1993).

The feedback processes are considered an important component of the system, linking education and the economy, i.e. whether and how the economy can signal to the educational system, what type of education and skills are in demand. Institutional theory describes the processes that impede correspondence between education and the particular demands of the economy. A crucial issue of institutional theory, ever more topical in Estonia, is how to overcome those processes in national educational policy which are linked to worldwide political pressure for "standardization" rather than to the particular economic needs of a given nation?

When studying the linkages between the economy and education on the level of an individual, one used to proceed from the human capital theory. Alternative theories gained prominence as response to the findings of empirical studies (Sobel, 1978). Several studies have confirmed the workability of the model of wage pattern for an individual, elaborated by Mincer (1974) and widely used in economics. In general this model describes rather well the relationship between wage and education but it fails to explain why the effect of education on wage is different for men and women, or for different races and ethnic groups. This is the reason why the human capital based approach is deemed inadequate. This is not to say that the whole theory is inadequate in this respect. Rather *…sociological studies suggest that human capital operates differently in respect of different human groups* (Rubinson, Browne, 1993). However, the situation in the labour market is seen to be of the utmost importance (to what extent the labour market is segmented, whether gender related or race/ethnic segregation or discrimination is in the labour market, etc.).

In the economy, education is not regarded as an obvious profit bearing and beneficial factor, neither on the state level nor on the level of the individual (cf. Box 3.3). However, the economic effects of education are country-specific and depend on the way stratification processes operate in the given society as well as on the degree they are manifested in the education system.

Experts in education orientated towards practical activities and economists, however, are much more categorical. They associate taking advantage of the opportunities provided by globalization and technological change and minimizing their social costs with the level and quality of skills that a nation possesses. (World Employment Report 1998–1999). Therefore, nations should be investing more in the skill development and training of their workforce. At the same time these same global processes reduce the opportunities and incentives for training of many groups in the population because long-term employment relations are weakening and those with low skills tend to be marginalized and excluded from the labour market.

In the case of societies under transition, the main problems are related to the inherited educational systems that provided a relatively high level of education for the population but over-emphasized vocational training and were oriented to narrow, specialized technical subjects. These educational systems are often accused of responding inadequately to developments in the labour market. The situation is sometimes characterized as deterioration of the quality of education and training and of the quality of human capital (Employment and Labour Market Policies in Transition Economies, 1999). Compounding the problem is the fact that the goals of the educational system have changed with the shift towards an open market. Instead of expressly fixed target figures, the systems must respond to the uncertain and vague demands of the market. The skills necessary in an open economy are rather hard to predict. There is a general lack of experience in predicting unstable circumstances, since in the closed economy it was possible to unequivocally predict the qualification and educational levels the labour force was expected to possess (World Employment Report 1998–1999). While a highly qualified labour force is still regarded as the major strength of Eastern European countries in the process of globalization, this advantage may evaporate very soon unless serious efforts are made to arrest and reverse these negative trends (Employment and Labour Market Policies in Transition Economies, 1999).

Figure 3.5 reveals that the quantitative indicators of formal education of the Estonian popula-

BOX 3.4.

Accesion to the European Union would embrace the free movement of labour between the member states, increasing competition in the labour market. Since today many enterprises use foreign specialists and managers with special qualifications, in the future especially enterprises with foreign participation may look for skilled labour from other countries if they are not found in Estonia. This implies to us that the quality of labour resources is vitally important for Estonia in order to promote international competitiveness. Two components are important in order to achieve this: the role of formal education and continuing retraining and further education. … Young people who enter the labour market without vocational education should have at least preliminary training after general secondary education. It is important to have harmony in the relationship between education and the labour market, meaning that the educational system (including continuing education) should flexibly react to changes in society and provide a labour force with the qualifications demanded by employers.

Source: Berde, E. et al. 1999. Prospects of the Students from Intermediate Education on the Labour Market in Estonia and Hungary. In: Ennuste, Ü. & Wilder, L. (eds.), Harmonisation with the Western Economics: Estonian Economic Developments and Related Conceptual and Methodological Framework. Tallinn: Estonian Institute of Economics at Tallinn Technical University.

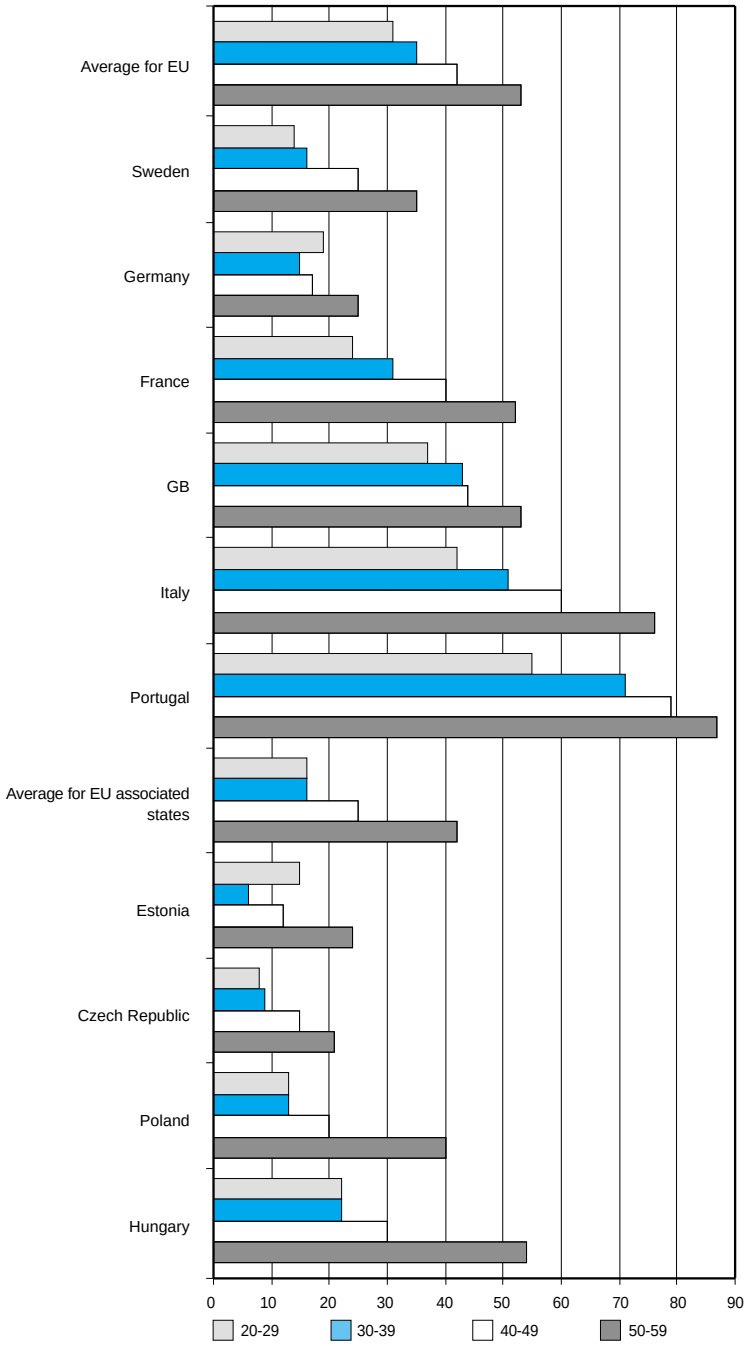
tion are astonishingly high, even compared with EU countries. In Estonia, in all working age groups, the share of people who have not completed secondary education is two times lower than in the European Union countries on average.

How is this resource used in the labour market? All things considered, in the Estonian labour market as elsewhere in Europe, it is education that matters. For adults in the prime of their working life (25–59 years-old) the pattern seen in the European countries in 1997 also applied in Estonia: the higher the educational level, the better the prospects of getting a job (lower unemployment rate) (cf. Figure 3.6). Unlike other Eastern European countries where the protective character of education was especially significant, in Estonia exposure to unemployment was less rigidly stratified according to educational level (comparable to the average of EU countries). Yet, from the beginning of the 90's, the linkage between education and unemployment risk has continuously increased in Estonia (Saar, Helemäe, Vöörmann, 1999). In the second quarter of 1999, the unemployment rate was 20.3% for the working age population with basic education, over four times the figure for the population with higher education. Partially this illustrates the high inactivity rate of workers with basic education, which may be compounded by hidden unemployment.

FIGURE 3.5.

Share of people with elementary and basic education per age group (% in age group)

Source: Key data on education in Europe - Eurydice European Commission, 2000.

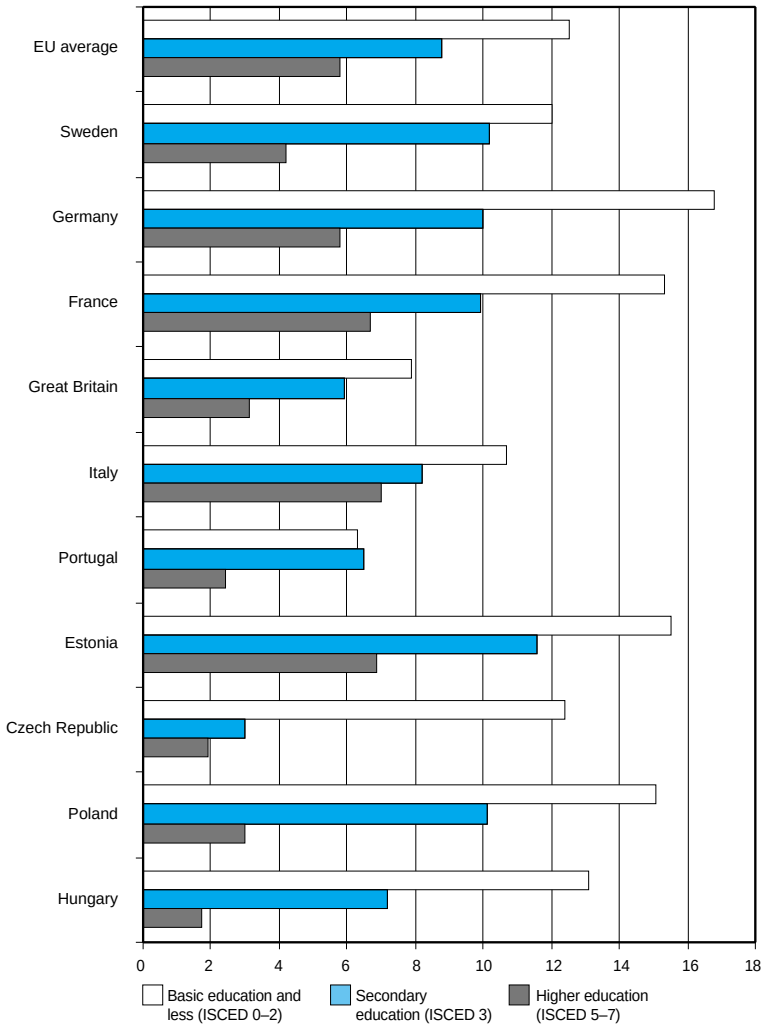


Yet level of education is not the only factor that determines a person's potential for employment in the workforce. Moreover, its importance varies for different groups of the population. For example, for non-Estonian females, higher education was a factor which increased the risk of unemployment (Saar, Helemäe, Vöörmann, 1999). It might be explained by the segmentation of the Estonian labour market and engagement

FIGURE 3.6.

Unemployment rate of 25–59 year-olds per education in 1997

Source: Key Data on Education in Europe, p. 196.



of non-Estonians in the secondary labour market. Submissiveness, obedience and compliance are valued in this market over education and qualification (Pavelson, 1999). The practice of hiring workers primarily through networking, the exposure of Russian women with higher education to the risk of unemployment etc., signal that the Estonian labour market is still far from real recognition of the importance and worth of a worker's education and skills. The data on the educational level by occupational category also support this conclusion. In the second quarter of 1999, only two thirds of Estonia's working age population with higher education were employed as managers or professionals, while fewer than half of managers and only two thirds of professionals had higher education (Tööjõud 1999).

Figure 3.7 depicts the results of education in the Estonian labour market, its importance as credentials to provide access to the labour market and particularly to the primary labour market[3]: only half of the working age population with higher education were able to convert their human capital in the labour market. The other education groups find it rather hard to access the primary labour market, while the population with basic education have serious problems finding employment.

In addition to unemployment, there is increasing concern in Europe about the rise in so-called atypical or insecure forms of work (*i.e.* temporary and part-time work). As compared with other European countries, this trend is not very typical for Estonia. In 1997 in Estonia, only approximately 4% of all 25-59 year old employees worked in an insecure job against 13–14% in Sweden and Finland, and one person in four in this age group in Spain. This means that unlike in the rest of Europe, Estonian workers do not need to invest in education to be protected against an insecure job.

In any case, there are problems with the conversion of education into an advantage on the labour market, although these problems are unevenly distributed between various groups of the population. In addition to differentiation based on ethnic origin, age, gender and residence, income inequality is gaining importance as a factor affecting both the use of education to obtain success and access to education (cf. Helemäe, Saar, Vöörmann, 2000). The result of education depends on the initial training of new generations and increasingly on adult education and continuing training.

A 1997 survey on adult education revealed that further training tends to be provided to those who already enjoy more resources (Helemäe, Saar, Vöörmann, 1998). Estonia is no exception as similar trends are evident elsewhere as well (Belanger, 1995). However, knowledge of the plight of others does not alleviate one's own predicament. The advanced countries have had more time to adjust their educational systems to the needs of global restructuring of the economy. Estonia will have to enhance and update many people's education which has become obsolete in the process of economic reforms. This means that adults training in Estonia needs to be much more efficient than that in advanced industrial countries. There is an advantage to training adults: the effectiveness of training can be promptly verified. This is not the case with initial training, that is, formal education. That system is signifi-

[3] "Not working" means both unemployment and inactivity.

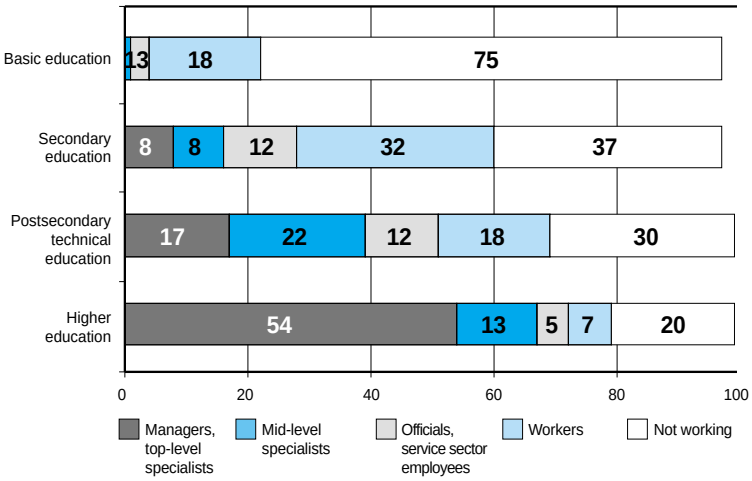
cantly more inert and rigid and its shortfalls and inadequacies are revealed with a substantial time lag. The experience of many countries testifies to the fact that the effectiveness of adult education is greatly influenced by the quality and intensity of initial training. Those successful in initial training enjoy higher returns from further education. Thus concern over the future of the Estonian educational system is fully justified: if and how can it prepare the youth for survival against stiffer competition in the marketplace and for flexible response to the challenges of an uncertain future.

Youth in the Estonian education system and labour market

It is alarming that among 20–29 year olds the percentage of those with only basic or elementary education is relatively high (cf. Figure 3.5). In the majority of reference countries (Germany constituting the exception from the rule), the share of those with basic or elementary education in the younger age group is lower than that in the older age bracket, however Estonia demonstrates the opposite pattern. There is significant growth in Estonia in the number of people having no vocational training and who have only completed basic or elementary education. Particular attention is devoted to the employment prospects of this group in most European countries. The aim is to save them from social marginalization. In Estonia, special attention should be paid to youth with poor qualifications to check the tendency for this group to grow.

In Estonia, the percentage of basic school graduates who have continued their education has recently been high (in 1999, 98.6% continued their studies) (Annus et al., 2000: 23). However, the share of 16 year olds who have not yet graduated basic school or who are no longer enrolled in school in also increasing (over 10%) (Annus et al, 2000: 26). The dropout rate from basic school is not particularly high as demonstrated by relative indicators but the absolute figures may have implications: in the 1998/99 academic year ca. 1400 youths terminated their studies in basic school (Annus et al, 2000: 26). Since this figure has remained between 1300-1400 during the past five years, the cumulative effects are more important, as every year the number of youth without basic education increases by over 1000. Dropouts from basic school, however, have no place in the education system and they have no chance of receiving vocational training. Under the

FIGURE 3.7.
Education success, 2nd quarter 1999.
Working-age population (15–74 years-old) **of Estonia**
Source: Labour Force 1999, pp. 92, 109.



Basic education — first level of education in Estonia (elementary and basic education); secondary education — second level of education in Estonia (secondary education, vocational education, vocational secondary education after basic education); vocational secondary education — vocational secondary education after secondary education; higher education — higher education, master's degree and doctorate.

Education Act, school attendance is compulsory until graduation from basic school, or until the age of seventeen. According to data contained in Table 3.7, in 1997 one fifth of 17 year olds were no longer in school. As compared to European Union states, Estonia is clearly lagging behind Sweden, France, and Germany, but has surpassed Great Britain, Portugal and Italy. For instance, in the Czech Republic and Poland, two years after the age of compulsory school attendance, under one fifth of the youths have dropped out of the education system. In Estonia the respective indicator is twice as high.

Estonia has recently witnessed increased educational stratification, i.e. the share of youth who have not acquired basic education and the percentage of youth who are continuing studies in applied higher schools and universities are increasing simultaneously (Heinlo, 1998). In the majority of European countries in the 1990's a number of reforms were introduced to reorganize the education system and to make it more egalitarian with a view to reduce educational stratification in particular. In Estonia, quite an opposite direction has been assumed. For example, in vocational schools the authorities have eliminated the few groups that used to provide vocational training to youth without basic education. However, increasing educational stratification is considered a factor inhibiting human development in Eastern Europe (Employment and Labour Market Policies in Transition Economies, 1999).

As already noted, the total number of students in the 18–22 year-old age group has

TABLE 3.7.

Participation rates in education at the end of compulsory education
(those who continued, % of the respective age cohort)

Age	European Union Member States						Associate members of the European Union			
	Sweden (X=16)	Germany (X=18)	France (X=16)	Great Britain (X=16)	Italy (X=14)	Portugal (X=15)	Estonia (X=16)	Czech Republic (X=15)	Poland (X=15)	Hungary (X=16)
X-1	96.8	93.5	98.1	100.0	100.0	94.2	96.0	100.0	97.0	85.0
X	97.6	85.5	95.6	80.3	92.7	52.3	92.0	99.6	96.0	87.1
X+1	97.0	66.4	92.0	68.4	86.9	33.7	80.1	99.0	92.8	71.2
X+2	94.4	46.5	82.9	49.7	80.8	29.1	60.1	85.3	89.7	40.0

X – age limit of compulsory school attendance

Source: Key Data on Education in Europe. *European Commission. Eurydice, 2000.*

increased in Estonia: in 1997, 40.7% of youth in that age group were in school; however in 1999 their number had increased to 49.8% (Education 1997/98: 23; Education 1999/2000: 25). The majority are studying in institutions of higher education. In European Union countries on average the rate in 1997 of students in that age group was close to 30% (Key data …, 2000). Estonia has caught up with and surpassed countries like Germany, Great Britain, Sweden, Holland and Denmark. But then, this is an achievement of dubious value.

Modernization theory stated that development of education and increasing the educational level of the population would be accompanied by an increase in the selective role of the education system and in the strengthening of the linkage (on the level of the individual) between education and the position in the labour market. In counterbalance to it, several alternative theories have become prevalent in the past decades (conflict theory, individualization theory, labour queue model, etc.), claiming that there is a devaluation of education. The results of education have declined, and higher education has been proletarianized, i.e. university graduates are increasingly becoming unemployed or have to work in unskilled service jobs. For certain positions educational requirements have continually risen. There appears to be a tendency among young adults to opt for the role of student instead of becoming unemployed. Thus, the education system to some extent serves as a reservoir for otherwise unemployed youth (Bravermann, 1977; Collins, 1979; Beck, 1994 etc). Expansion of higher education with no relation to job openings is the main cause of the brain drain which affects many of the developing countries, and which constitutes a serious waste of resources (Bertrand, 1994). The rates of development of the education system and the labour market are not in balance. The demand for higher education remains high in these countries. The political influence of higher social strata is conducive to promoting specific educational facilities. As a result, a large portion of public funds are invested in the development of higher education, although it would be more reasonable to spend this money on the creation of jobs for less educated people, and on increased training opportunities for them.

Therefore, the question is: does the Estonian labour market need so many highly educated specialists? The answer to this question depends on the development scenario of the Estonian economy. It has been noted that at present the qualification intensity of the Estonian economy as a whole, and in particular of its exports, is low. Estonia has failed to make use of one of the strongest aspects of its potential: its relatively high educational level (Terk, 1999). No less important is the impact of pending accession to the European Union. Is Estonia threatened by a brain drain? Dramatically different opinions have been voiced on this issue. One group of experts are positive that the brain drain is an imminent threat (Eamets, 1999), while others hold much more optimistic views (Aher, Heinaru, 1999). Data on the results of education do not infuse particular optimism.

Over the past decade, the integration of youth into the labour market has increasingly been per-

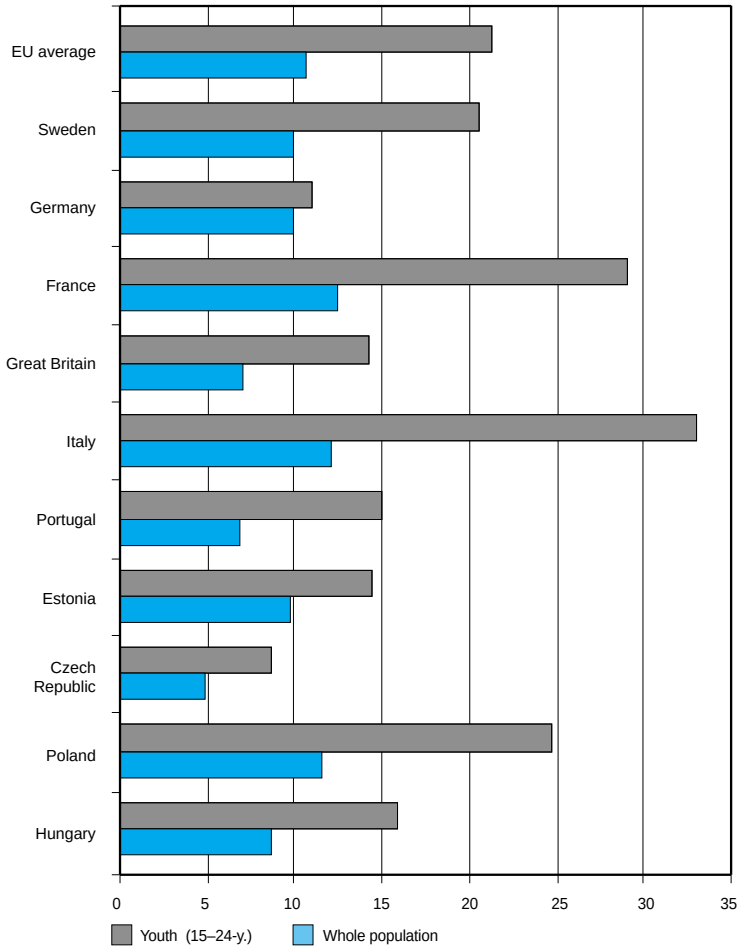
ceived as being associated with a rising risk of unemployment and often also with employment in insecure jobs or underemployment. In all European countries, the unemployment rate for new graduates is rising, especially for the least qualified. In the majority of European countries, results of education are on the decline, notably at the tertiary level of education: one has to start one's career from the lower occupational positions. Those trends are related to the impact of changing economic conditions as well as the effects of continuing educational expansion and structural changes in the labour market.

In Europe, the increasing risk of unemployment among graduates is directly linked to the cyclical change of macro-economical conditions, i.e. the economic depression at the beginning of the 90s. In the majority of European countries youth unemployment rates are higher than adult unemployment rates (Higgins, 1997). This is also the case in Estonia (cf. Figure 3.8). The unemployment rate for the 15–24 year-old age group is significantly lower than the European Union average, while in the working age population as a whole it is close to the EU average. Hence, in Estonia, the relative advantage of older cohorts in terms of lower unemployment rates is not as striking as in other European countries. Data in Figure 4 reflect the situation in 1997. At the end of the 90s, the youth unemployment rate increased in Estonia as well.

Increasing unemployment among labour market entrants in the 1990s is directly linked to the growth of unemployment in the whole working-age population. As it is, young people are disproportionately affected by cyclical economic developments as they are one of the less competitive categories in the workforce (Higgins, 1997). It is recognized that labour market entrants with a low level of education are especially vulnerable to changing economic conditions (OECD, 1999). In Estonia just as in other Eastern European countries, employment fell among the entire working-age population as a direct consequence of the transition crisis (Employment and Labour Market Policies in Transition Economies, 1999). Although unemployment in general and youth unemployment are relatively novel phenomena in Estonia, it is notable that the gap between the unemployment rates of younger and older age groups is continuing to grow.

High unemployment also affects the education system as it promotes educational expansion. Increasing participation in education among teenagers (15–19 year old age group) is a feature of all European countries to a greater or lesser extent. This partially reflects the increasingly poor

FIGURE 3.8.
Unemployment rate 1997



outlook for youths on the labour market as well as the political will of the governments to increase educational participation in response to teenage unemployment (Higgins, 1997). In Estonia, the increase in the rate of participation in education also coincides with an increasing rate of youth unemployment. A tendency for youths to opt for the role of student has been greeted with enthusiasm as a sign of the increasing importance of education. Lately, however, this enthusiasm has been tempered with some sobering notes, as it has been recognised that this tendency also reflects withdrawal from the labour market in the face of poor labour market prospects (Pavelson, 1999; Annus et al, 2000). Such a strategy is possible since education has become a commodity, rather than because of conscious will of the state or society to solve the problems of the youth.

It is also alarming that in conditions of educational expansion, both the incentives and opportunities to continue studies or to enter the labour market for young people at the bottom of the educational ladder are weak. High unemployment exerts a strong disincentive effect on the youth to

participate in the labour market, particularly for those with a low educational level. In Europe this group is usually considered to be the most vulnerable in terms of social marginalization and deprivation. Estonia is distinct in that the greatest difference in the unemployment rates according to age group are found among people with basic education. . In the 2nd quarter of 1999, the unemployment rate for the 15–24 year-old age group with basic education was almost 34%, while the rate for 45–54 year-olds with the same educational level was almost 2.5 times lower (14%) (Tööjõud 1999). The good thing is that the proportion of unemployed among youth with basic education is under 7%, that indicator being lower only among 55–64 year olds (5%), while it is surprisingly higher among the 35–44 years-old (21%!). For this reason the increase in the number of inactive young people, especially aged 15-19, merits separate analysis. Has this resulted only from the recognition of the importance of education and training or rather from avoiding the labour market.. Regardless of whether the causes lie in the fact that many young people have a high opinion of themselves (I won't work for low pay) or that there is stiff competition for jobs requiring lower qualifications, the question is to what extent does the educational system serve as a reservoir for otherwise unemployed youth? Since the isolation of this labour market from other sub-markets is increasing while the opportunities for continuing training are poor for this category of the population, prolongation of the current trend may bring about the marginalization of youth and their exclusion from the labour market (cf. also Pavelson, 1999: 46–48).

The fact that in Europe youths have been disproportionately affected by policy moves to increase flexibility of employment should not be disregarded. Youth (as well as older workers) are the most vulnerable and least powerful age group within the labour force, which is why employers seek flexibility in working time and employment contracts at their expense. The relative loss is especially great under poor overall labour market conditions. A gulf is created between permanent and temporary workers. The increasing insecurity of jobs and broader uncertainty related to the labour market is difficult to measure. Data on the growth of persons employed in so-called atypical (flexible) forms of work is often used in Europe for these purposes. In Estonia as compared to the EU average, the rate of employment of both young workers and adults in atypical jobs is rather low This does not mean that the youth stand firmly on their feet in the Estonian labour market, but rather that in Estonia the deterioration of youth employment conditions is of a different type and should be approached in a different manner.

Educational expansion also influences an employee's occupational position at the start of his or her career. Notably, the increasing level of education in the labour force has triggered a downward substitution process, which has led to a lower occupational position among those beginning their career. This pertains to graduates from all educational levels. The impact of these downward substitution processes is particularly evident in the case of access to professional positions, where the employment potential of graduates from lower tertiary education is increasingly poor, university education being the minimum qualification required. The downward substitution is counterbalanced by a tendency towards professionalization in labour demand.

Opportunities for Estonian youth have to date been more favourable than those enjoyed by youth in advanced European countries. There, the youth find it harder to attain managerial or professional positions or, to put it differently, to enter the primary labour market. The extensive expansion of higher education is a novel phenomenon in Estonia, and its consequences have not yet revealed themselves in the labour market. Though, there are the first alarming signals: unlike during the earlier years, in 1999 just people with higher education experienced the highest increase in the unemployment rate (Estonian labour survey, 2000, 1st quarter).

When considering the general effect of educational expansion on the labour market, the opinion has been voiced that it will entail changes in labour market demand. The labour market will adjust to the increased availability of individuals with a higher educational level. Under this interpretation, educational expansion will stimulate further, but time-lagged changes in the labour force. In this case, the declining results of education on an individual level can be regarded as a temporary phenomenon during a certain adjustment period until labour market demand has also shifted. Evidently, this is only so with advanced countries, where the increasing rate of participation in tertiary education is echoed by the increasing share of positions requiring higher education. In the case of Estonia, there is not too much optimism in assessing the results of educational expansion (in particular of higher education) (cf. Box 3.5).

BOX 3.5.

The number of graduates from upper-secondary schools who have registered as unemployed has decreased, in recent years – there are more opportunities now to continue studies after secondary school, particularly in the sphere of higher education. Yet, the educational choices the young people make have often been dictated by their attitudes and wishful thinking, also by the opportunity to enroll in a given higher education institution, rather than the real situation in the economy.

An assessment of the results of the expansion of higher education on the labour market will be available in two-three years, when people begin to graduate for these newer higher education institutions.

Source: Annus, T. et al, 2000. Ülevaade Eesti haridussüsteemist. Tallinn: Haridusministeerium, 29.

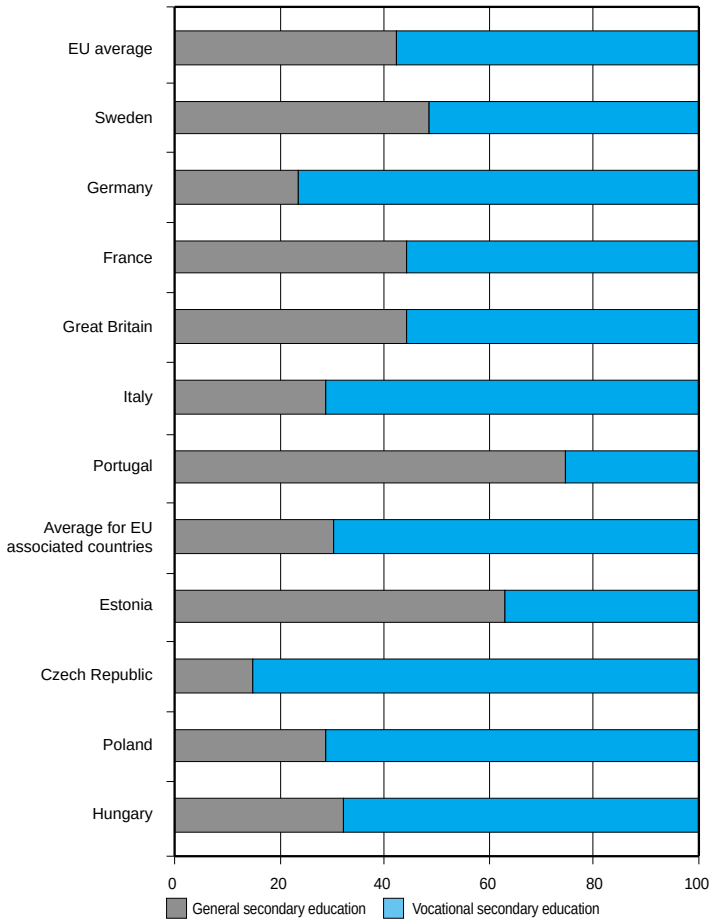
Secondary education systems

When analyzing the education systems of different countries, there is agreement that the largest differences are revealed on the secondary education level. The structure of secondary education is quite different, i.e. the share of those who have acquired general secondary or vocational secondary education. In European Union countries on average, more students are enrolled in vocational schools than in general secondary schools (cf. Figure 3.9). This pattern is found in most EU countries, but it is particularly pronounced in Germany, Austria and Italy, where more than three-quarters of students are in the vocational stream. Another group of countries is formed by France, Great Britain and Denmark, where vocational education involves just under half of those with secondary education. In Nordic countries nearly half of students study in general secondary schools and half in vocational schools. Conversely, in the majority of Southern European countries, as well as Ireland, more than three-quarters are found in general secondary education.

Of the countries who are associate members of the European Union, the Baltic States constitute a clear exception. In other countries, vocational secondary education dominates in the structure of secondary education. This is particularly noticeable in the Czech Republic, where 85% of students follow the vocational stream. In Estonia, Latvia and Lithuania the students of general secondary education schools prevail.

It is difficult to give an unequivocal answer to the question of what the optimal structure of secondary education should be. It can be different for every given country, depending on the

FIGURE 3.9.
Structure of secondary education 1996-97
(% of students in general and vocational secondary education)
Source: Key data on education in Europe - Eurydice European Commission, 2000.



local labour market, the previous development of the education system, interconnections between the labour market and the education system, other institutions etc. Yet, in the past decade, the majority of advanced European countries have striven to move in the direction of decreasing the number of those with secondary education entering the labour market without vocational training, i.e. providing young people with a profession as well as secondary education. If tertiary education cannot absorb all graduates of general secondary education schools, it means that some of them will have to enter the labour market without any specific training. Although admissions to higher education institutions in Estonia have continuously increased, in 1999 nearly one-tenth of secondary school graduates did not continue studies in tertiary education (Annus et al, 2000: 21). Those youth lack, as a rule, an opportunity to acquire any preliminary vocational training.

The majority of advanced countries have faced the need, in the past decade, to reform the

secondary education system, to reduce the gap between general secondary and vocational education. Three types of systems are generally recognized: tracked, linked and unified systems (Howieson, Raffe, 1999). Under the first type of secondary education system, general secondary and vocational education are organized as separate and distinctive tracks, there being very little chance to move from one track to another, the different tracks having no contacts. A linked system has separate tracks, but emphasizes their similarities and equivalence, with common or very similar structures, with nearly identical school leaving certificates, and opportunities to mix or transfer between the tracks. A unified system does not use tracks to organize provision but brings all provision within a single system. The three types represent points on a continuum with tracked systems at one end and unified systems at the other.

The case of Germany is a typical example of the first type of secondary education systems, plus other German speaking countries, where the students are selected at an early stage and distributed onto different tracks (already at the level of pre-gymnasium basic school education). In a majority of European countries, the second type of system has been adopted. In those countries, a number of steps have been undertaken in the past decade to bring the different tracks closer. For instance, the share of those with vocational secondary education is being increased. France and several other countries encourage transfer between tracks, for example through "dual qualifications", which lead either to employment or higher education. Conversely, in Sweden and Norway an integrated secondary education system operates, with no distribution into tracks.

In Estonia, as in the whole of the former Soviet Union and a majority of Eastern European countries, the secondary education system in the period of socialism was modeled on the German system with clear social divisions. On the level of secondary education, various types of school (tracks) were specialized, their students having no opportunities to transfer between tracks. Also, the opportunities to continue education offered to graduates of those types of schools were very different. The vocational education institutions (primarily the vocational secondary schools) were educational dead-ends (Saar, 1997). Regardless of the vocational education reform, the share of vocational school graduates who continue education in higher education schools has remained low in recent years. In 1999, only 2.6% of vocational secondary school graduates moved on to higher education institutions (Annus et al, 2000: 21). Vocational secondary school has remained an educational dead-end.

BOX 3.6.

…it is the general education basis of vocational schools which would benefit from help most. This is where the vocational schools, operating under new directives (cf. Vocational Educational Facilities Act) could hardly manage on their own. Worth considering is the idea to convert some of the present upper-secondary schools to applied secondary schools (cf. former "modern schools" in Great Britain). There, general education could be coupled with vocational and occupational skills, which could be later improved, after secondary school, under the curricula of higher vocational schools, either in the same school, or in a higher level educational facility (higher vocational school). This however presupposes the establishment of integrated schools and regional plans, to enable the implementation in the future of the educational strategies for the youth oriented to academic or vocational high education.

Because vocational instruction is started when one is quite young, those desirous of enrolling in a higher education school, at some later period, should be provided with additional educational facilities, in order to give them this opportunity.

Source: Pavelson, M. 1999. Kutseharidus kui karjääri lähtekoht. Tallinn: TTÜ Kirjastus.

Typology of education systems

One dimension, according to which the education systems are broken down and differentiated, is the degree of standardization (Allmendinger, 1989). The criteria are the extent of the existence, on a state or regional level, of standards for education certificates, curricula, rules and requirements for carrying out exams etc. In a majority of European countries the general education system is rather standardized. Yet, the differences, if any, are revealed in the vocational education systems. In some countries (primarily in the German-speaking countries) standardization is considered especially important for vocational schools, because if there are established professional standards issued to school graduates, employers can rely on school leaving certificates in their hiring of the labour force. They can be sure, then, that new workers will meet their expectations.

Another vital dimension is the differentiation of education systems. Of relevance here is whether there are, if any, distinctive tracks in educational levels, notably vocational and general education on the secondary education level. Also important is the time period (the age of students), when the students are sorted in the respective education systems into different tracks and how rigid the boundaries between different tracks are. When establishing the level of differ-

TABLE 3.8.

Typology of secondary education systems

Standardiseerituse tase	Level of differentiation		
	High	**Average**	**Low**
High	Germany Holland Denmark Switzerland Estonia	Great Britain France Italy	Japan Ireland Scotland Sweden Norway
Average		Spain	
Low			USA Canada

Source: Hannan et al., 1997.

entiation of education systems it is also important whether and how much the opportunities to continue tertiary education of graduates differ according to type of school, and whether there are any educational dead-ends. The system of a differentiated education system also contributes to an early stratification of young people. Examples of such an education system are Germany, Austria, Switzerland and Denmark. According to the degree of differentiation in their education systems, Great Britain, France and Italy should be placed in the middle of scale. Norwegian, Swedish and also Irish education systems are considered to be little differentiated.

By using these two dimensions for typology, one type is the German speaking countries, plus Holland and Denmark, which manifest a differentiated and standardized secondary education system.

The second extreme of the above mentioned standardized dual system is constituted by the US secondary education system, which offers general secondary education up to the age of 18 for around 90% of the age cohort (Hannan, Raffe, Smyth, 1997). There are, however, immense regional and local differences in the secondary education systems. Besides the differences in curricula, teacher qualifications, available funds for schools etc, even the system of tests and school leaving certificates is different, both per state and per school. In Canada the system is much the same as in the US. Tertiary education in those countries, however is significantly more differentiated and stratified than in the European countries (Ashton, Green, Lowe, 1993).

Although there is no dual system either in Great Britain, France or in Italy, the "match" between taking the vocational tracks at secondary school and entry to skilled manual occupations appears to be quite clear, meaning that the stratification of secondary education system is average.

The characteristics of the secondary education system in Japan, the Scandinavian countries and Ireland is low differentiation and high standardization. The system of governmentally regulated tests is accompanied by a high completion rate of secondary level education. Also, the opportunities to continue education for young people with secondary education are conditional on their earlier school performance.

Since the Estonian secondary education system is based on the German model, Estonia should be classified as a country with a stratified and differentiated education system. Yet, according to the extent of differentiation, Estonia should be placed behind Germany, because in Germany the distribution of students into different school types is undertaken much earlier than in Estonia (when students are 12). In evidence in Estonia is the ever-deepening internal differentiation in general secondary education (deepening of regional differences, distribution into élitist schools and ordinary schools etc). According to the large share of general secondary education and the ever-increasing percentage of youth continuing education in higher education schools, the Estonian secondary education system is similar to that in South-European countries.

Institutional linkages between the education system and the labour market

For both advanced industrial societies and societies emerging from state socialism, the concept of path dependence is that of central importance for the analyses of macro-level structural change. The main idea is that historically grown and country-specific institutional settings do have a certain inertial tendency to persist in the process of market transition and globalization (Rona-Tas, 1997). Institutional systems are closely interrelated and complementary (an education system is adjusted to the needs of the given country's labour market, the employment structures are compatible with family patterns prevalent in that country etc.). In each country those country-specific institutional 'packages' yield strikingly different outcomes of analogous political reforms. Moreover, according to the evolutionary concept of social change it is impossible to forecast the outcomes of complex, uncertain processes (Blossfeld, 1999). Evaluation of the relative fitness of institutional settings is rather an empirical question, which can only be answered *ex post facto*.

There are an increasing amount of studies, aimed at understanding what are the key institutional characteristics of the education and training system, the labour market and the linkages between them that shape young people's transitions from education to work. Many typologies start from the distinction between countries with large dual educational systems and other countries. Ideal types of occupational and internal labour markets or qualification space and organisational space or open and closed employment relations are most often used as related distinctions of labour markets.

Depending on the approach, the aggregates of states constituting those types are changing. The processes evolving in Eastern Europe are handled as differing from those faced in advanced countries, there are only few attempts to suggest the typologies based on the dimensions common for both Eastern Europe and western countries. Nevertheless, such typologies would offer food for thought.

One of the more widely used is the typology based on differentiation and standardization dimensions of education systems (cf. Table 3.8) and on the degree of institutionalization of the linkages between school and labour market (cf. Table 3.9). School-to-work linkages are classified in accordance to the extent to, and the way in which the employers participate in the formation of the output of the education system. Strong and direct shared interlinkage means that the employers are directly connected with trainers (sometimes legally governed/supported, with joint financial responsibility), participating in the provision and delivery of the training for young people; both employers and training providers jointly agree on education and training requirements for specified occupations. In case of collinear linkage, lying on the same straight line, the employers play an important role, however they are not involved in the delivery of training for young people moving from school to the labour market (only school-based training exists), whereas the qualification requirements are specified and clearly known to the schools. If there are strong market signals, but no direct linkage, employers are not involved in training. However school 'outputs'/certifications and 'signals' about the learned competencies of graduates are publicly certified and used actively by employers in making employment decisions. Version d in the Table presupposes somewhat more active participation on the part of entrepreneurs, as compared with the previous one (the employers could participate in the work of school boards). In the case of weak market signals, employers are not involved in the training process, nor do they take into account the certificates issued by the training facility, when deciding on employment issues.

In such a typology, the German "dual system" might be placed at one extreme of the continuum of European states. This dual education system institutionally constructs and supports, however also potentially restricts the choice of individuals. At the other end of the continuum there is the model of the open market (Ireland being an excellent example of the case), with very weak institutional linkages between the labour market and the education system, resulting in potentially more open competition between those with different levels and types of educational qualifications for the same occupational positions.

Essentially, each type of education system operates under a certain type of labour market. For example, if the education system is highly standardized and stratified (Germany, Austria etc.) the labour market should be deeply segmented, because certain tracks of the education system prepare the workforce for certain niches of the labour market. The linkages between employers and the education system should also be very tight. In Germany, on the level of vocational secondary education, the theoretical instruction of youth is school-based, while the firms are responsible for practical training. This

TABLE 3.9.

Typology of Education and Training Systems and Labor Market Linkages

	Degree of Standardization of Education Systeme			
School-Work	**High**		**Low**	
Linkage	**Degree of Differentiation of Education and Training System**			
	High ——————> Low		**High ——————> Low**	
(a) Strong Linkage (Dual System)	Germany Austria Switzerland Denmark			
(b) Collinear Linkage (otsene vastavus)	Holland			
(c) De-coupled with Strong Market Signals		England France Finland Italy	Scotlanda Ireland Sweden Israel	Spain
(d) School Placement Function			Japan	
(e) De-coupled with Weak Market Signals	**Estonia**			Canada USA

Source: Hannan et al., 1997.

dual system guarantees a close link between the labour market and the education system. Conversely, the US secondary education system provides employers, due to low standardization, no chance to rely in their employment of people on the marks obtained on school leaving certificates, nor that the said certificate actually exists. Canada has the same situation. The mid-scale is occupied by the Japanese, Scandinavian and Irish secondary education systems. Due to high standardization and low differentiation, both the education level and the marks on the school leaving certificates are the indicators, which the employers can use when selecting the desired workforce.

Accommodating Estonia into such a typology would clearly expose the contradictions and inherent dissonance of the institutional rules operating in the education system and labour market in Estonia: the education and training (ET) system is characterized by high degree of standardization and differentiation, while school-to-work linkage is de-coupled with weak market signals.

Conclusion

According to quantitative indicators, the Estonian education system is holding its own rather well, even against the background of advanced European countries. But the country is challenged by imminent dangers related to certain trends These negative trends also reveal themselves in the labour market, causing employment problems to less skilled workers. Thus, the appearance and growth of a segment of very young but low-qualified workers who have neither the chance nor incentives for further training might have quite serious consequences. The labour market may begin to gradually adjust to the changed labour quality, the work organization will change and the demand for a qualified workforce decrease.

What might be the best strategy to avoid such developments? The advantage of Estonia as a society under transformation is that it might take advantage of "the experiences of others" (primarily those of the developed European countries) and identify different kinds of social

threats at a very early stage. The problem facing Estonia is that the development of a given trend is very hard to forecast, because "the Estonian path" and the pace of social change differ from that in European countries. An Estonian-specific institutional package is still under formation. The institutionally set rules of the game are too often contradictory and lacking inner logic because they were "borrowed" from very different institutional settings. In this sense, Estonia has dramatically fallen behind Europe regarding timeframe. In this world full of risks, the time resource is limited, however. Estonia is handicapped by lack of experience in (negative) trend management. With the rules of the game, contradictory in principle, the trends are hard to keep track of, to say nothing of their management and direction.

European experience tells us that the past can perhaps be renounced, but it will be imprinted on our future, on institutions or rules of the game. European experience teaches us that every country must form its own rules of the game, that mutual complementarity of institutions is the necessary precondition of the integrity of society. Because in modern societies all social institutions form some kind of mutually interdependent historically grown arrangement, here in Estonia we also cannot avoid strong path dependence on our past. Our "institutional heritage" inevitably imposes certain restrictions on the state's future developments and options. Mutual complementarity means that certain combinations of institutional linkages are impossible, whereas there are no ideal combinations. Institutional solutions, which have proven to be successful in other countries, are hardly ever directly exportable to Estonian structural settings. It holds true for the reform of education and labour market institutions as well. The choice in favour of one education system also presupposes an appropriate organization of the labour market, the availability of respective institutions of industrial citizenship and also the readiness of the state to minimize social cost. For instance, it does not appear beneficial to simply try to transpose the dual vocational training system from Germany to Estonia, without simultaneously changing our labour market structures. Establishing large-scale apprenticeship systems in Estonia lacking any tradition of strong government/employer/union linkages is very difficult. If Estonia is to opt for the German pattern of the ET system, it must do so with full awareness of the following. Namely, this option presupposes the active participation of professional associations and employers in the formation of the education process. It presupposes the high prestige of vocational education in the eyes of entrepreneurs, youth and their parents. It presupposes occupational restructuring of the labour market, the readiness of the youth to except significantly poorer remuneration that older workers receive etc. It is to be understood that such a system forces very young people to make very important choices (which educational track to prefer) and it provides only a few chances to change one's mind later (to get additional training to raise the level of education, moving upwards on the career ladder). It should be considered whether and how such a rigid system could be rendered more flexible, because Germany's experience also signals the need to reform the system.

Evidently, the calls to reform education, to tailor it to the requirements of the labour market are not enough. Even employers themselves do not know what kind of skills and competencies they will expect the labour force to possess in future. In view of the inertia of the education system, those needs should be formulated using a distant perspective. The education system too has its logic of development and functions, not limited to catering for the market. Consequently, there must be a consensus on what institutional combinations of education and labour market we can afford *hic et nunc* (here and now), basing on what we have on hand and what we would like to have, and being aware of the consequences of each option. European experience teaches us that we cannot borrow from Germany the dual education system principles while continuing a liberal labour market policy in an excessively segmented labour market, and at the same time renouncing the options to carry out some kind of governmental youth policy.

Kirjandus

Aher, G. ja Heinaru, A. (1999). Eesti 21. sajandil. Arengustrateegiad. Visioonid. Valikud. A. Oja (Toim.), *Haridus*. Tallinn: Teaduste Akadeemia Kirjastus.

Allmendinger, J. (1989). Educational Systems and labour Market Outcomes. *European Sociological Review,* 5, 231–250.

Annus, T. jt. (2000). *Ülevaade Eesti haridussüsteemist*. Tallinn: Haridusministeerium.

Ashton, D., Green, F. & Lowe, G. (1993). The Linkage between Education and Employment in Canada and the UK: A Comparative Analysis. *Comparative Education*, 29, 125–143.

Beck, U. (1994). The Reinvention of Politics: Towards a Theory of Reflexive Moderni-

zation. In U. Beck (Ed.), *Reflexive Modernization*. Cambridge: Polity Press.

Belanger, P. (1995). Learning societies in the making. In J. Delors (Ed.), *Education for the Twenty-first Century* (pp. 261–279). UNESCO Publishing.

Berde, E., Petro, K., Venesaar, U., Viies, M. & Maldre, R. Prospects of the Students from Intermediate Education on the Labour Market in Estonia and Hungary. In Ü. Ennuste, & L. Wilder (Eds.), *Harmonisation with the Western Economics: Estonian Economic Developments and Related Conceptual and Methodological Framework* (pp. 191–223). Tallinn: Estonian Institute of Economics at Tallinn Technical University.

Bertrand, O. (1995). Education and Work. In J. Delors (Ed.) *Education for the Twenty-first Century* (pp. 157–192). UNESCO Publishing.

Blossfeld, H-P (1999). *Life Courses in the Globalization Process*. Project Descriprion, Bielefeld.

Braverman, H. (1977). *Die Arbeit im modernen Produktionsprozeâ. Frankfurt:* Campus.

Collins, R. (1979). *The Credential Society: A Historical Sociology of Education and Stratification*. New York: Academic Press.

Eamets (1999). Tööturg ja tööpuudus. *Eesti inimarengu aruanne 1999,* 66–71.

Employment and Labour Market Policies in Transition Economies. Geneva, International Labour Office, 1999.

Eesti tööjõu-uuring, I kvartal 2000. http://www.stat.vil.ee.

Hannan, D.F., Raffe, D. & Smyth, E. (1997). Cross-National Research on School to Work Transitions: An Analytical Framework. In P. Werquin, R. Breen, & J. Plans (Eds.), *Youth Transitions in Europe: Theories and Evidence* (pp. 409–442). Marseille: CEREQ.

Haridus 1997/98. Tallinn: ESA, 1998.

Haridus 1999/2000. Tallinn: ESA, 2000.

Heinlo, A. (1998). Sotsiaaltrendid. J. Sillaste, S. Laud ja U. Kask (Toim.), *Haridus* (lk 24–32). Tallinn: ESA,

Helemäe, J., Saar, E. ja Vöörmann, R. (2000). *Kas haridusse tasus investeerida? Hariduse selekteerivast ja stratifitseerivast rollist kahe põlvkonna kogemuse alusel*. Tallinn: Teaduste Akadeemia Kirjastus.

Helemäe, J., Saar, E. ja Vöörmann, R. (1998). Täiskasvanute koolitus ja integratsioon. *Eesti inimarengu aruanne 1998,* 24–31.

O'Higgins, N. (1997). *The Challenge of Youth Unemployment, Employment and Training*. Papers no. 7. Geneva, International Labour Office.

Howieson, C. & Raffe, D. (1999). *The 'unification' of post-16 education*. CES Briefings, 15.

Kerckhoff, A. (1995). Institutional Arrangements and Stratification Processes in Industrial Societies. *Annual Review of Sociology*, 15, 323–347.

Key Data on Education in Europe. European Comission, Eurydice, 2000.

Marsden, D. (1997). The approaches of economists to the relationship between training and work. In A. Jobert, et al (Eds.), *Education and Work in Great Britain, Germany and Italy* (pp. 192–207). London: Routledge.

Mincer, J. (1974). *Schooling, Experience, and Earnings*. New York: Columbia University Press.

Müller, W. & Shavit, Y. (1998). The Institutional Embeddedness of the Stratification Process: A Comparative Study of Qualifications and Occupations in Thirteen Countries. In Y. Shavit, & W. Müller (Eds.), *From School to Work. A Comparative Study of Educational Qualifications and Occupational Destinations* (pp. 1–48). Oxford: Clarendon Press.

OECD *Economic Outlook,* 65, June1999.

Pavelson, M. (1999). Kutseharidus kui karjääri lähtekoht. Tallinn: TTÜ kirjastus.

Rona-Tas, A. (1997). *The Great Surprise of the Small Transformation. The Demise of Communism and the Rise of the Private Sector in Hungary*. Ann Arbor: The University of Michigan Press

Rosenbaum, J.E., Kariya, T., Settersten, R. & Maier, T. (1990). Market and Network Theories of the Transition from High School to Work: Their Application to Industrialized Societies. *Annual Review of Sociology, 16*, 263–299.

Rubinson, R. & Browne, I. (1993). Education and the Economy. In N.J. Smelser, & R. Swedberg (Eds.), *Handbook of Economic Sociology*. Princeton, NJ.: Princeton University Press.

Saar, E. (1997). Transitions to Tertiary Education in Belarus and the Baltic Countries. *European Sociological Review,* 13, 139–158.

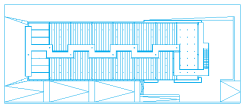
Saar, E., Helemäe, J. & Vöörmann, R. (1999). Education, Training and Employment in Estonia. *Report prepared for the ILO-CEET*.

Sobel, I. (1978). The Human Capital Revolution in Economic Development: Its Current History and Status. *Comparative Education Review, 46,* 278–308.

Terk, E., (1999). Eesti majandusareng: saavutused, vastuolud, perspektiivid. *Eesti inimarengu aruanne 1999,* 60–66.

Tööjõud 1999. Tallinn: Statistikaamet, 2000.

Word Employment Report 1998–1999: Employability in the Global Economy – How training matters. Geneva, International Labour Office, 1998.



Suggested Required Tables

Profile of human development

Life expectancy at birth (years)	Maternal mortality rate (per 100,000 live births)	Population per doctor	Scientists and technicians (per 10,000 people)	Enrolment ratio for all levels (% age 6–23)	Tertiary full time equivalent gross enrolment ratio		Televisions (per 100 people)[2]	Real GDP per capita (PPP USD)[3]	GNP per capita (USD)
					Total (%)	Female (%)			
1999	1999	1999	1999	1999	1999	1999	1999	1998	1999
70.8	**16.0**	**325**	**32.1[1]**	**81.0**	**53.6**	**62.9**	**41**	**7,682**	**3,471**

[1] Public and university sector only
[2] Source: Household Budget Survey, color-TVs only
[3] Source: World Bank

Profile of human distress

Unemployment rate		Ratio of income of highest 20% of households to lowest 20%	Female wages (as % of male wages)	Consumer price index (change, %)	Injuries from road accidents (per 100,000 people)	Intentional homicides (per 100,000 people)	Reported rapes (per 100,000 women age 15–59)	Sulphur and nitrogen emissions (kg of NOx and SO_2 per capita)
Total (%)	Youth (15–24, %)							
1999	1999	1999	Oct. 1999	1999	1999	1999	1999	1999
12.3	**19.8**	**566**	**73.5**	**3**	**118**	**13.9**	**13.0**	**75.6**

Trends in human development

Life expectancy at birth (years)		Tertiary full-time equivalent gross enrolment ratio (%)		Real GDP per capita (PPP USD)[1]		GNP per capita (USD)		Total education expenditure (as % of GDP)		Total health expenditure (as % of GDP)	
1992	1999	1992	1999	1994	1998	1993	1999	1993	1998	1993	1998
69.1	**70.8**	**35.3**	**53.6**	**3,842**	**7,682**	**1,067**	**3,471**	**7.1**	**6.8**	**5.5**	**6.0**

[1] Source: World Bank.

Female-male gaps

Females as percentage of males								
Life expecancy	Population	Secondary enrolment	Upper secondary graduates	University full-time equivalent enrolment	Natural and applied science enrolment	Labour force	Unemployment	Wages
1999	1999	1999	1999	1999	1999	1999	1999	1999
116.4	**114.9**	**104.9**	**125.6**	**136.6**	**80.5**	**91.5**	**73.9**	**73.5**

Status of women

Life expectancy at birth (years)	Average age at first marriage (years)	Maternal mortality rate (per 100,000 live births)	Secondary net enrolment ratio (%)	Upper secondary graduates (as % of females of normal graduate age)	Tertiary full-time equivalent gross enrolment ratio (%)	Tertiary natural and applied science enrolment (as % of female tertiary)	Women in labour force (as % of total labour force)	Administrators and managers (% females)	Parliament (% of seats occupied by women)
1999	1999	1999	1999	1999	1999	1999	1999	1999	1999
76.1	**24.7**	**16.0**	**79.9**	**91.6**	**57.7**	**28.0**	**47.8**	**35.0**	**17.8**

Demographic profile

Estimated population (millions)			Annual population growth rate (%)		Total fertility rate	Fertility rate over time (1999 as % of 1960)	Dependency ratio (%)	Population aged 60 and over (%)	Life expectancy at age 60 (years)	
									Female	Male
1960	1999	2000	1970-1998	1999-2000	1999		1999	1999	1999	1999
1.2	**1.4**	**1.4**	**0.23**	**–0.44**	**1.24**	**64**	**48.6**	**20.1**	**20.8**	**15.3**

Health profile

Deaths from circulatory system diseases (as % of all causes)	Deaths from malignant cancers (as % of all causes)	AIDS cases (per 100,000 people)	Population per doctor	Public expenditure on health (as % of total public expenditure)	Total expenditure on health (as % of GDP)	Private expenditure on health (as % of total health expenditure)
1999	1999	1999	1999	1998	1998	1998
54.7	**17.6**	**0.14**	**325**	**14.3**	**6.0**	**13.2**

Education profile

Enrolment ratio for all levels (% age 6–23)	Upper-secondary full-time equivalent gross enrolment ratio (%)	Upper secondary technical enrolment (as % of total upper-secondary)	19-year olds still in full-time education (%)	Tertiary full-time equivalent gross enrolment ratio (%)	Tertiary natural and applied science enrolment (as % of total tertiary)	Expenditure on tertiary education (as % of all levels)	Total education expenditure (as % of GDP)	Public expenditure on education (as % of GDP)
1999	1999	1999	1999	1999	1999	1998	1998	1998
81.0	**95.6**	**39.9**	**51.8**	**53.6**	**36.3**	**12.9**	**7.3**	**6.8**

Human capital formation

Scientists and technicians (per 1,000 people)[1]	Expenditure on research and development (as % of GNP)[1]	Upper secondary graduates (as % of popultion of normal graduate age)	Tertiary graduates (as % of population of normal graduate age)	Science graduates (as % of total graduates)		
				Total	Female	Male
1999	1999	1999	1999	1999	1999	1999
3.2	**0.58**	**81.0**	**33.9**	**38.6**	**29.7**	**52.6**

[1] Public and university sector only.

Employment

Labour force (as % of total population)	Percentage of labour force in			Future labour force replacement ratio	Earnings per employee annual growth rate (%)	Percentage of labour force unionized	Weekly hours of work (per person in manufacturing)	Expenditure on labour market programmes (as % of GDP)
	Agriculture	Industry	Services					
1999	1999	1999	1999	1999	1999	1999	1999	1999
48.7	**8.3**	**32.3**	**59.4**	**89.1**	**10.4**	**12.0**	**40.2**	**0.1**

Unemployment

Unemployed persons (thousands)	Unemployment rate (%)					Unemployment benefits expenditure (as % of total government expenditure)	Incidence of long term unemployment (as % of total)		Regional unemployment disparity (25% worst regions versus 25% best)	Ratio of unemployment rate of those not completing secondary school to rate of those graduating from third level	
	Total	Total including discouraged workers	Female	Youth (15–24)	Male youth (15–19)		More than 6 months	More than 12 months		Males	Females
1999	1999	1999	1999	1999	1999	1999	1999	1999	1999	1999	1999
86.2	**12.3**	**14.9**	**11.0**	**19.8**	**29.9**	**0.4**	**65.2**	**47.0**	**1.9**	**3.1**	**2.3**

Military expenditure and resource use imbalances

Military expenditure (as % of GDP)	Military expenditure (as % of combined education and health expenditure)	Armed forces[1]		
		Per 1000 people	Per teacher	Per doctor
1998	1998	1994	1994	1994
1.6	**11.8**	**2.6**	**0.2**	**0.8**

[1] Source: Ministry of Defence.

Natural resources balance sheet

Land area (thousands of km^2)	Population density (people per km^2)	Arable land and permanent cropland (as % of land area)	Permanent grassland (as % of land area)	Forest and wooded land (as % of land area)	Irrigated land (as % of arable land area)	Annual fresh water withdrawals per capita (m^3)
1999	1999	1999	1999	1999	1999	1999
45.2	**32**	**25.1**	**6.6**	**44.6**	**—**	**1,058**

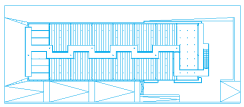
National income accounts

Total GDP (USD billions)	Agri-cultural produc-tion (as % of GDP)	Industrial produc-tion (as % of GDP)	Services (as % of GDP)	Consumption (as % of GDP)		Gross domestic investment (as % of GDP)	Gross domestic savings (as % of GDP)	Tax revenue (as % of GNP)	Central govern-ment expendi-ture (as % of GNP)	Exports (as % of GDP)	Imports (as % of GDP)
				Private	Govern-ment						
1999	1999	1999	1999	1999	1999	1999	1998	1999	1999	1999	1999
5.128	**3.3**	**18.0**	**62.6**	**57.9**	**23.7**	**25.1**	**6.2**	**11.2**	**32.4**	**76.9**	**82.6**

Trends in economic performance

Total GNP		Consumer price index (change, %)	Exports as % of GDP (% annual growth rate)	Tax revenue as % of GNP (% annual growth rate)	Direct taxes as % of total taxes	Overall budget surplus/deficit (as % of GNP)[1]
USD billions	Annual growth rate (%)					
1999	1999	1999	1999	1999	1999	1999
5.007	**–1.1**	**3**	**-3.0**	**0.0**	**30.8**	**–4.8**

[1] Source: Ministry of Finance.



Suggested Optional Tables

Weakening social fabric

Prisoners (per 100,000 people)	Juveniles (as % of total prisoners)	Intentional homicides (per 100,000 people)	Reported rapes (per 100,000 women age 15–59)	Drug crimes (per 100,000 people)	Asylum applications received (thousands)	Births outside marriage (%)	Suicides by men (per 100,000)
1999	1999	1999	1999	1999	1999	1999	1999
211	**1.7**	**13.9**	**13.0**	**20.6**	**81.6**	**54.0**	**56.0**

Wealth, poverty and social investment development

Real GDP per capita (PPP USD)[1]	GNP per capita (USD)	Income share		Expenditure on payments of social security expenditure (as % of GDP)	Total education expenditure (as % of GDP)	Total health expenditure (as % of GDP)
		Lowest 40% of households (%)	Ratio of highest 20% to lowest 20%			
1998	1999	1999	1999	1999	1998	1998
5,240	**3,079**	**22.8**	**536**	**11.0**	**7.7**	**6.6**

[1] Source: World Bank.

Communication profile

Televisions (per 100 people)[1]	Annual cinema attendances (per person)	Annual museum attendances (per person)	Registered library users (%)	Book titles published (per 100,000 people)	Letters posted (per capita)	Telephone lines (per 100 people)	International telephone calls (minutes per capita)	Passenger cars (per 100 people)
1999	1999	1999	1999	1999	1999	1999	1999	1999
41	**0.61**	**0.96**	**42.2**	**226**	**38.7**	**35.8**	**51.0**	**31.9**

[1] Source: Household Budget Survey, color-TVs only.

Energy consumption

Commercial energy consumption		Annual rate of change in commercial energy consumption	Commercial energy efficiency GDP output per kg of oil equivalent (USD)
Total (thousand tons of oil equivalent)	Per capita (kg of oil equivalent)		
1999	1999	1992-1999	1999
4,715	**3,269**	**–4.1**	**1.09**

Urbanization

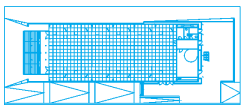
Urban population (as % of total)			Urban population annual growth rate (%)		Population in largest city (as % of urban)	Major city with highest population density	
						City	Population per km^2
1960	1999	2000	1970-1999	1998-2000	1999		1999
57.1	**69.1**	**69.1**	**0.46**	**–0.48**	**41.2**	**Tallinn**	**2,580**

Environment and pollution

Major city with highest concentration of SO_2		Sulphur and nitrogen emissions (kg of NO_X and SO_2 per capita)	Share of global emissions (greenhouse index) per capita[1]	Pesticide consumption (metric tons per 1,000 people)	Hazardous and special waste production (metric tons per km^2)[2]	Generation of municipal waste (kg per capita)	Population served by municipal waste services (%)	Waste recycling (as % of consumption)	
City	Micro-grammes of SO_2 per m^3							Paper and card-board	Glass
1999	1999	1999	1998	1998	1999	1999	1999	1999	1999
Tallinn	**4.2**	**75.6**	**15.0**	**0.14**	**14.0**	**393**	**69**	**...**	**...**

[1] Source: Estonian Environmental Information Centre.

[2] Waste of categories 1 to 3.



Country Human Development Indicators

	1995	1996	1997	1998	1999
Population (thousands)	1,483.9	1,469.2	1,458.0	1,449.7	1,442.4
Land area (km^2)	45,227	45,227	45,227	45,227	45,227
GDP (billions USD)	3.550	4.358	4.634	5.213	5.128
Human Development					
Life expectancy (years)	67.9	70.0	70.4	69.9	70.8
Maternal mortality rate (per 100,000 births)	51.6	–	15.8	16.3	16.0
Enrolment ratio for all levels (age 6–23, %)	71.2	73.5	75.6	77.9	81.0
Tertiary full-time equivalent gross enrolment ratio (%)	38.1	42.0	45.8	50.6	53.6
GNP total (USD billions)	3.553	4.360	4.489	5.130	5.007
GNP per capita (USD)	2,394	2,968	3,079	3,539	3,471
Real GDP per capita (PPP USD)[1]	4,138	4,431	5,240	7,682	…
Exchange rate (EEK / USD)[2]	11.464	12.034	13.882	14,075	14,695
Human Distress					
Injuries from road accidents (per 100,000 people)	128	106	126	138	118
Intentional homicides (per 100,000 people)	20.5	18.2	16.9	17.1	13.9
Drug crimes (per 100,000 people)	3.4	7.8	7.8	16.2	20.6
Reported rapes (per 100,000 women age 15–59)	22.0	20.5	21.3	11.6	13.0
Unemployment rate (%)	9.7	10.0	9.7	9.9	12.3
Consumer price index (change, %)	29	23	11	8	3
Ratio of income of highest 20% to lowest 20% of households (%)	768	633	536	536	566
Sulfur and nitrogen emissions (kg NO_x and SO_2 per capita)					
SO_2	79.5	85.1	81.6	75.9	65.6
NO_x	28.3	29.9	30.9	31.7	10.0

[1] Source: OECD.
[2] Source: Bank of Estonia.

	1995	1996	1997	1998	1999
Life expectancy and health					
Life expectancy at birth (years)	67.9	70.0	70.4	69.9	70.8
Population per doctor	322	328	322	323	325
Maternal mortality rate (per 100,000 births)	51.6	–	15.8	16.3	16,0
Deaths from circulatory system diseases (as % of total deaths)	54.9	55.3	54.2	54.6	54.7
Deaths from malignant cancers (as % of total deaths)	15.7	17.3	17.9	17.5	17.6
Public expenditure on health (as % of total public expenditure)	14.6	14.6	13.9	14.3	…
Wealth / poverty					
Ratio of income of highest 20% to lowest 20% of households (%)	768	633	536	536	566
Lowest 40% of households (% share of income)	16.9	19.3	23.4	22.8	24.3
GNP total (USD billions)	3.553	4.360	4.489	5.130	5.007
GNP per capita (USD)	2394	2968	3079	3539	3471
Real GDP per capita (PPP USD)[3]	4,138	4,431	5,240	7,682	…
Exchange rate (EEK / USD)[4]	11.464	12.034	13.882	14.075	14.695
Consumer price index (change, %)	29	23	11	8	3
Demography					
Total population (millions)	1.48	1.47	1.46	1.45	1.44
annual growth rate (%)	–1.0	–1.0	–0.6	–0.6	–0.4
Population aged 60 and over (%)	18.6	19.0	19.4	19.7	20.1
Life expectancy at age 60 (years)	17.7	17.8	18.5	18.0	18.5
female	19.9	20.1	20.6	20.3	20.8
male	14.5	14.8	15.2	14.8	15.3
Fertility rate	1.32	1.30	1.24	1.21	1.24
Fertility rate over time (1994–1998 as % of 1960)	68	67	64	62	64
Dependency ratio (%)	50.9	50.6	50.2	49.5	48.6

[3] Source: OECD.
[4] Source: Bank of Estonia.

	1995	1996	1997	1998	1999
Weakening social fabric					
Suicides by men (per 100,000)	67.6	64.3	63.9	59.4	56.0
Reported rapes (per 100,000 women age 15–59)	22.0	20.5	21.3	11.6	13.0
Drug crimes (per 100,000 people)	3.4	7.8	7.8	16.2	20.6
Prisoners (per 100,000 people)	170	197	218	216	211
Juvenile prisoners (as % of total prisoners)	1.4	2.5	1.9	1.5	1.7
Births outside of marriage (%)	44.1	48.1	51.6	52.2	54.0
Divorces (as % of marriages contracted)	106.4	102.5	94.5	82.7	81.6
Education					
Enrolment ratio for all levels (age 6–23, %)	71.2	73.5	75.6	77.9	81.0
Upper secondary full-time equivalent gross enrolment ratio (%)	85.4	88.7	89.6	87.6	95.6
Female secondary net enrolment ratio (%)	82.3	81.4	80.9	79.7	79.9
Upper secondary technical enrolment (as % of total upper secondary)	31.4	32.2	32.5	34.2	39.9
Upper secondary female graduates (as % of females of normal graduate age)	81.7	85.7	86.3	85.8	91.6
Tertiary graduates (as % of population of normal graduate age)	26.6	29.9	33.2	33.8	33.9
Tertiary full-time equivalent gross enrolment ratio (%)	38.1	42.0	45.8	50.6	53.6
female (as % of total tertiary)	52.6	53.4	54.8	56.0	57.7
Tertiary natural & applied science enrolment (as % of total tertiary)	43.6	42.7	41.4	39.1	36.3
Science graduates (as % of total graduates)	45.3	43.5	42.3	43.8	38.6
female (as % of total science graduates)	56.8	52.3	52.1	51.8	46.9
male (as % of total science graduates)	43.2	47.7	47.9	48.2	53.1
R&D scientists and technicians (per 10,000 people)	35.4	33.9	33.9	33.6	32.1
Communication					
Televisions (per 100 people)[5]	...	...	...	37	41
Telephone lines (per 100 people)	27.9	30.1	32.3	34.5	35.8
International telephone calls (minutes per capita)	35.8	39.6	39.4	48.1	51.0
Passenger cars (per 100 people)	26.0	27.8	29.4	31.2	31.9
Registered library users (%)	37.7	38.2	39.9	41.3	42.2
Annual museum attendances (per person)	0.66	0.78	0.88	0.86	0.96

[5] Source: Household Budget Survey.

	1995	1996	1997	1998	1999
Employment					
Labour force (as % of total population)	48.7	48.8	49.1	48.9	48.7
Percentage of labour force in agriculture	10.5	10.0	9.4	9.0	8.3
Percentage of labour force in industry	34.0	33.5	33.4	33.0	32.3
Percentage of labour force in services	55.4	56.5	57.2	58.0	59.4
Future labour force replacement ratio (%)	101.0	98.4	95.6	92.4	89.1
Women in labour force (as % of total labour force)	47.3	47.6	47.5	47.6	47.8
Female administrators and managers (as % of total)	36.4	36.5	34.0	34.1	35.0
Female wages (as % of male wages)	73.3	72.6	72.0	74.2	73.5
Unemployment (thousands)	70.9	71.9	69.4	70.2	86.2
Unemployment rate (%)	9.7	10.0	9.7	9.9	12.3
female (as % of total)	8.8	9.2	9.2	8.9	11.0
youth (as % of total, age 15–24)	14.1	16.0	14.4	15.7	19.8
Long term unemployment rate more than 12 months (as % of labour force)	3.1	5.5	4.4	4.6	5.6
Unemployment rate including discouraged workers (%)	11.5	12.2	11.7	12.2	14.9
Regional unemployment disparity (25% worst regions versus 25% best)	2.9	2.1	1.7	1.9	1.9
Ratio of unemployment rate of those not completing secondary school to rate of those graduating from 3rd level	2.1	2.0	2.8	2.7	2.7
female	1.3	1.3	2.7	2.4	2.3
male	2.5	2.3	2.9	3.0	3.1
Natural resource balance sheet					
Greenhouse index (CO_2 emissions, tons per capita)[7]	15.3	15.7	15.8	15.0	…
Commercial energy consumption, total (thousand tons of oil equivalent)	5,372	5,657	5,547	5,109	4,715
per capita (kg of oil equivalent)	3,620	3,850	3,805	3,524	3,269
GDP output per kg of oil equivalent (USD)	0.66	0.77	0.83	1.02	1.09
Pesticide consumption (metric tons per 1,000 people)	...	...	0.14	0.14	…
Generation of municipal waste (kg per capita)	352	354	407	384	393

[6] Data of October.
[7] Source: Estonian Environmental Information Centre.

	1995	1996	1997	1998	1999
International trade					
Export-import ratio (%)	90.0	85.3	87.1	88.4	92.8
Trade dependency (exports+imports as % of GDP)	152.8	145.7	167.7	170.3	159.5
Gross international reserves (end of year, millions USD)[8]	576.1	636.6	759.0	812.7	…
Current account balance (USD millions)[9]	–157.9	–397.9	–563.4	–478.1	–294.4
Policy options					
Education expenditure (as % of GDP)	7.9	7.7	7.2	7.3	…
Health expenditure (as % of GDP)	6.2	6.1	5.5	6.0	…
Military expenditure (as % of GDP)	1.6	1.7	1.7	1.6	…
Military expenditure (as % of education and health expenditure)	11.5	12.0	13.1	11.8	…

[8] Source: Bank of Estonia.
[9] Source: Bank of Estonia.