Post communist development of welfare and social security in Estonia

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Estonia

Official name: Republic of Estonia
Short form: Estonia
National Day:
Estonia declared its independence on this day in 1918.
Estonia became a NATO member state on 29 March 2004.
Estonia became a European Union member state on 1 May 2004.
Geography

**Area:** 45,227 square km
Estonia is a green land, *forests* cover 50.5% of the country (22,846 square km)

**Borders:**
**Total length:** 1,450.2 km, with a sea border of 768.6 km and a land border of 681.6 km
Population

Population: 1,363 million (Source: Population Register)
Population density: 31 inhabitants per square km

The proportion of urban population (1.01.2008): 69.4%
The proportion of rural population: 30.6%
The birth rate in 2007 was 11.7 per 1000 residents while the mortality rate reached 12.9 per 1000 residents

Largest ethnic groups: Estonians (69%), Russians (26%), Ukrainians (2%), Belarussians (1%) and Finns (1%)
Main Cities

The **capital** of Estonia is **Tallinn**
(396.9 thousand inhabitants or 29.6% of total population).

Other large cities and population (thousands):

- Tartu - 102.0
- Narva - 66.7
- Kohtla-Järve - 45.4
- Pärnu - 44.1
15 counties
Background

During the Soviet period in Estonia, the range of social welfare services was reduced to a minimum, so that the welfare system had to be developed anew.
As the Soviet Union collapsed and Estonia regained its independence in 1991 we faced a great challenge to rebuild a new social welfare system on a completely new basis and it was to happen in a very short period of time.
In the period of transition 1991-97

Years transition 1991-1997 in Estonia – the role of NGO´s in the reconstruction of social welfare system
The example of non-profit organizations in the social field was taken mainly from Finland or Sweden, to some extent from the social work practice in Germany as well.
They were either national units of some international organizations or have come into being out of need to solve some social problems in the period of transition (for example home nursing, care for people with disabilities etc), which were not taken care of by the state.
As a rule a non-profit organization was founded because the state or municipal social welfare system was not developed yet.
"In everything do to others as you would have them do to you; for this is the law and the prophets. " (Matthew 7,12).

As an initiative of the church, diaconal ministry was started to help the needy. In March 5, 1991 the Diaconal Union of the Estonian Evangelical Lutheran Church was established with board members from every region in Estonia.
• In 1990 in the cooperation with the Diaconal Centre of the Finnish church and Finnish Churchaid first diaconia training was organized for a group of voluntary diaconal workers.

• A little later a longer training programme was provided for a group of 16 people who completed their training in March, 1992.
In May 19, 1995 first group of 7 graduates of a 2-years diaconal training at the Institute of Theology were consecrated to their office.
A lot of time and energy was spent on coordination and distribution of humanitarian aid.

In that moment of time it was very important help, but it had to transform to development aid.
In 1993 an agreement was signed with the Diakonisches Werk in Schleswig-Holstein with the aim to establish a network of diaconal stations all over Estonia.
The development of diaconia in Estonia was influenced by all partners, but the idea of diaconal stations in Germany and the parish diaconia in Finland have definitely had the strongest influence.
• Parallel to the establishment of Diaconal Centre other diaconia organizations as were established as well, just to mention some of them: Seamens Mission, Centre of Clinical Pastoral Care, Centre of Criminal Work, Centre of Social Rehabilitation, City Mission in Tallin etc.
First attempts to establish a professional and sustainable institution or structure, capable of developing and coordinating diaconal activities in the whole EELC, remained unsuccessful.
The support and resources from abroad were scattered in different areas, while there was no common understanding how to channel the existing resources, skills and good experiences into the development of diaconal work.
The year 1997 was turning point

Phare programme funding was focused on promoting the EU accession negotiations and matters of social policy having a priority in the accession negotiations as:

• the labour protection and health care,
• equality of men and women in the labour market,
• participation of workers in the management and work environment.
Other matters as the social welfare (care) and health care, but also development of social security system the EU has less common standards to, remained in the process of EU accession out of interest.
The platform for the development of social welfare system was:

- to support the families and the care provided by the family members;
- to organize special welfare services provided by the counties, NGO's, entrepreneurs and enterprises (Mikkola 1997).
Medical services

In Estonia medical services are separated from social care system, which means that special care services (long term medical care combined with nursing services) are not financed through public health insurance system.
Children day care centers are part of educational system, administered by local municipalities.

Public school system is in Estonia free of charge, even school meals as a mean of social policy are for children free of charge, school transport and purchase of school supplies are supported by local municipalities.
Today the aim and purposes of social welfare are to provide assistance to persons or families in preventing, eliminating and relieving difficulties in coping, and to assist persons with special social needs in social security, development and integration into society.
Budget

Social services and social benefits are financed from the state budget, local government budgets, funds of legal persons and natural persons who voluntarily engage in social welfare and other funds.

The extent of state financing is specified by the state budget act for the corresponding budget year.
The following is financed from the state budget: expenditure relating to state social welfare management, state social programmes and projects, the welfare services to adults with special mental needs and services for partially disabled persons.
Legal framework:

Social welfare/ care management as the task of a local municipality

(The Social Welfare Act)
Structure of local municipalities

• The basis for an efficient social welfare system in a local municipality is the capability to predict the needs of local population for social welfare services. In Estonia there are 227 local municipalities – 33 towns and 194 rural municipalities – facing the same challenge.

• 151 municipalities are to be considered as „small municipalities“ with limited capabilities to meet their responsibilities in a sustainable way.
### Territory and population of counties 02.10.2007

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<th>County</th>
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Income structure of local municipalities (2006)

- Economy: 17%
- Social protection and health care: 8%
- Education: 42%
- General administration: 14%
- Leisure and culture: 14%
- Environment: 5%
- Economy: 17%
Budget of a local municipality

Main expenditure categories of a municipality are education (pre-schools, schools), economy (communal economy, public transportation, local road maintenance etc), management (government, council and administration costs) and leisure and culture (cultural facilities, music-schools, libraries, sports facilities etc.).
Human resources of social welfare administration

In many cases the situation is quite the opposite: the social worker does not have appropriate professional training (in 2001 57%, in Lääne-Viru county 50% of the social workers)
The social political responsibilities are divided

For example the allocation of social benefits will be decided in the municipal commission for social affairs consisting of municipal council members and invited experts (e.g. local doctor).
Planning of social welfare

Administration of social services – the peculiarity of the organisation of social services has to be taken into consideration
European Economic and Social Committee convinced that the social services (particularly health care services) have to be considered differently than other market oriented services (European Economic and Social Committee 2007).
Today the main social services provided by the local municipalities are social counselling and home care services. Other social services are in small municipalities either underdeveloped or not developed at all.
Social housing as an essential component of social security net is provided by a very small number of municipalities, mainly in bigger towns like Tallinn, Tartu, Pärnu.
Social political discourse of the local municipality

They are either

• applying the Scandinavian model, where the local municipality is responsible to cover the costs for the services needed by its citizens or

• applying the model of liberal social policy, where the initiative of every individual and their ability to cope is a common assumption?
In the year 2007 Estonia was one of the top five countries in Europe with the most drastic and unequal allocation of per capita income.

In 2004 the income level of the wealthiest 20% of the population differed from the poorest 20% by 5.9 times. The EU average lies by 4.9 (Statistical Office 2007)
Small state pensions

• The care home fees in every elderly care home are significantly higher (up to 3 times), than the pension income of a person. Very often even their adult children are not able to support their parents, since their own incomes remain far below the average, and the problem has to be solved by the municipality alone.
The information distributed to the inhabitants by the local municipality.
Sustainability of the partners of local municipalities

– NGOs were not more able to provide or develop social services,
– but at the same time state authorities promoted the role of private (both profit and non-profit) sector in providing public services.
State support to the social welfare activities and the EU context

Despite of the rapid economic growth the proportion of welfare expenses in the state budget has decreased remarkably.
In the context of European Union
Estonia is a rather small country

- The main challenges seem to be low state pensions and limited access to the health care -, housing - and other services for elderly people. There are problems with general and special care homes. In Estonia there are no measures taken at all to improve the access to housing.
• A. Rogger, Unit Director of the Directorate of Regional Policy of the European Commission, presented in his report 3 main risks for the regional policy in Estonia: increasing of labour force, rigid immigration policy and engraving regional differences.
• European Economic and Social Committee is convinced that the social policy should have an equal (social) position with the economic policy and not to depend on it.
Summary:

• In the Estonian context the term “social work” is not widely used.

The majority of social political acts and documents speak of social protection divided into social security and social welfare.
The focus of social work lies on the work with children (child welfare) and families, but due to the lack of resources and skills the mentioned fields of activities are underdeveloped.
In small municipalities there are vivid discussions going on about the importance of providing social services but their development is due to the lack of skills and high expenditures still unresolved.
• The demographic situation of the small municipalities characterized by a small number of employed inhabitants is in the nearest future most likely not to change, which brings up the need of resolving the problems jointly on the level of unions of municipalities.
Joining of municipalities is thereby no solution: while the distances are growing the resources do not increase. Social services have to be provided by the professionals – it is still the main challenge for the small municipalities today.
The discourse of social welfare is followed by the conflict between the social political model practised and the social policy of the EU.
The sustainable development of the social welfare system in Estonia is influenced by different social, economical and political factors, but the actual change can be achieved only then, when an agreement has been reached in the perspectives and strategic guidelines for the future.
• Today we find ourselves in Estonia in a situation where all existing social benefits will be cut and the incomes of local municipalities have due to the decrease in tax incomes and in people's incomes rapidly decreased as well. It will clearly have an effect of social impoverishment, including local municipalities, who are not able to provide services which support people's ability to cope.