

Summaries in English

EDITOR-IN-CHIEF'S COLUMN

Stuck

Helle Ruusing, Editor-in-Chief of the Riigikogu Toimetised, Chancellery of the Riigikogu Information Service Information Adviser

For a long time we kept repeating to ourselves that we were not Latvia. Our economy would manage the crisis better, we had reserves, our politicians were better statesmen, etc. Until the cabinet crisis broke, that is. Until the cabinet crisis was created, to be precise. Disgruntled voices now say that we are like Latvia.

The Government worked to reach a minimal common ground. Tough decisions were only made in words and on election posters, the reality is that the deficit of the State Treasury is growing by the day. Minority governments have a very short tradition in Estonia and politicians must therefore truly exceed themselves in order to make the necessary decisions once and for all. The ray of hope in this situation is that discussions will return to the parliament and become more transparent and to the point. We can only hope that the next majority government would be formed more on the basis of the world view and less on that of personal relations between politicians.

When applying crisis measures, we should not forget that their influence is systemic. The state is first and foremost responsible for its own citizens and must take into account the social consequences. After all, we do not want any part of our nation to fall into a disadvantaged situation or to suffer poverty. Estonia's social system may seem too expensive, but compared to other EU countries or viewed from the standpoint of the individual, it tends to be quite modest. Aggressive cuts may lead to unwanted and long-term consequences. Right now it seems that not only is the economy stuck, but that the bustle of the elections has also shut down the thinking and decision making capacities of our politicians.

We should be asking why the comparison with Latvia seems so undignified to us. Of course, there are many differences between the two nations and countries, but there is much more to unite us throughout history as well as today. This is something we should be proud of, more than anything.

ESSAY

Latvia and its layers

Jaak Jõerüüt, Estonian Ambassador to Latvia

The poor condition of the Latvian economy is common knowledge, the author acknowledges. There has been very much discussion and writing on the subject recently in Estonia. But what does the average Estonian know about other facets, corners and recesses of life in Latvia? What do educated Estonians know about the origin of the Latvian language? What do the Estonian journalists who write about Latvia in dailies know about the Latvian people? Especially if they have met only a random beggar and a few

disillusioned casino patrons and aroused strong feelings in conversation with them. Or two politicians, who represent their own camp, whether it happens to be the opposition or the ruling coalition. What does a self-professed “cultured” Estonian know about the layers of Latvian culture, whether we are talking about soil strata, or thoughts and mindsets, on paper and hard disks? In the opinion of the author, the only thing that has made Estonians pay more attention than usual to the politics and everyday joys and concerns of their southern neighbour was Latvian President Valdis Zatlers’s two-day visit to Estonia in April. There has been relatively little talk in the Estonian press of anything else that would provide fodder for discussion, analysis, study, description of Latvian themes. There are good reasons, but little initiative. This leads the author to repeat his conviction that both capitals should have at least one journalist from a major newspaper or other media channel. This is not a marketing strategy, but a question of national culture and national security, and naturally also of guaranteeing a better future.

POLITICAL FORUM

Social policy

Anyone might need social protection

RiTo conversation circle

Riigikogu Toimetised invited three experts of social policy to the conversation circle of 27 May, in order to discuss Estonia’s social policy and social system: how our social system has developed, what the priorities of Estonia’s social security are, and what challenges the social system faces because of the economic recession. The circle was attended by the Director of the Institute of Health Development Maris Jesse, professor of comparative administrative policy at the Institute of Political Science and Governance of the Tallinn University Anu Toots, and the member of the Riigikogu Social Affairs Committee and the Estonian Reform Party Tõnis Kõiv. *RiTo* Editor-in-Chief Helle Ruusing acted as the moderator and compiled a summary of the discussion. Participants of the circle thought that Estonia’s social system has developed in a logical and consistent manner and that its various components have largely been formed and are functioning. When it comes to health care and the social protection component of the health insurance, the participants concurred that the values agreed upon at the beginning of the 1990s have in principle been respected. The main value here is solidarity, which means that the healthier and the better remunerated segments of the society help to cover the medical expenses of those with lower income or more precarious health, or no income at all.

At the same time, as opposed to 1990s, fundamental problems of social policy receive too little attention and more limelight is thrown on details and current issues of the social system. When it comes to the newly or imminently unemployed, the problems of the younger generation, i.e. 20 to 30 year olds, were seen as the most poignant. This does not concern only young people with secondary education, but also university graduates. In the case of the latter, the situation is further complicated by the fact that their assumed financial obligations and their sense of high self worth do not correspond to the vacancies and salary packages currently on offer at the labour market. The vacancies do not satisfy the feeling of self worth of the young, while the salary packages would not cover their financial obligations, which mainly take the form of housing loans. The economic recession inevitably gives the job seekers cause to re-evaluate their high self worth. The opinion was expressed in the circle that a similar re-evaluation should also take place in

the minds of the members of the Riigikogu and the Cabinet, in order to neutralise social strains.

Education

Important changes in the Basic Schools and Upper Secondary Schools Act

Tõnis Lukas, Minister of Education and Research, Pro Patria and Res Publica Union

The preparation of the new draft Basic Schools and Upper Secondary Schools Act was occasioned by the need to significantly improve and supplement the legislative framework pertaining to general educational schools. The Basic Schools and Upper Secondary Schools Act currently in force was adopted in September 1993 and has been amended 38 times over the years, which has made it difficult to read, out of date in terms of its regulatory techniques, and open to multiple interpretations. Due to the multiplicity of amendments, it was expedient to adapt the entire text and structure of the Act and to prepare an entirely new Basic Schools and Upper Secondary Schools Act. The author stresses that for the first time, the important fundamental principles of the national curriculum have been encoded into the draft act – to this point they were set out only in the curriculum itself. The separation of upper secondary schools from basic schools is an important step in improving the quality availability and effectiveness of scholastic education at all educational levels. The author feels that this need has been perceived in society for some time now. It was emphasized at all of the recent forums on education themes, as well as at the discussion of education as an issue of national importance in the Riigikogu. The basic school and the upper secondary school are different and independent educational levels with different purposes, content and requirements, and each has their own educational methods and environment.

Tax policy

Estonian tax system is in need of changes

Jüri Ratas, Vice-President of the Riigikogu, Estonian Centre Party

Discussion in the European Union does not concern the progressive income tax itself, but rather the number and level of income brackets. Estonia has opposing positions on progressive income tax. It was as recently as 1993 that Estonia effectively had a progressive income tax. In 1994, it was replaced with a proportional income tax. Even though the Estonian Centre Party introduced a proposal to reinstate the progressive income tax, which reached the Supreme Court in July 1998, we still have a proportional income tax. At the same time, the percentage of indirect taxes in the state budget compared to direct taxes is disproportionately high, as a result of which receipt of revenue is to a relatively great degree tied to consumption. In better times, economic growth fed the state budget and problems were not obvious, but the author believes that now is the right time to re-open the debate on tax reform as in difficult times people tend to want a stronger government, not a weaker and more inexpensive government. The current low income tax burden means that people in Estonia lack benefits that would be taken for granted in Western Europe, such as effective medical care and functioning infrastructure.

Whereas the more affluent part of society is able to buy private medical care, streets and roads are everyone's common assets. Private roads for only the rich are not known in Europe.

Taxes and fiscal policy

Eiki Nestor, Member of the Riigikogu, Social Democratic Party

The author believes that Estonia's fiscal policy is outdated and in need of serious reconsideration because it is no longer sustainable in its present form. The average tax burden in the European Union Member States is 39.9 % of the GDP; or as high as 40.5 % in countries of the Euro zone. Estonia with its 31 % ranks 23rd. The author is convinced that this tax burden is not sustainable. The first recommendation made to Estonia by the IMF, the World Bank and other financial policy advisors concerns the taxation of property. Only land is taxed in Estonia at the moment, although the need to pass from land tax to overall real estate tax has been discussed for years. The issue has remained on a standstill mainly because the property reform in Estonia has resulted in a great number of land and real estate owners whose income and assets are not balanced and who would therefore react extremely sensitively to the introduction of a real estate tax. On the other hand, the author does not understand why Estonia is the only country in the European Union not to have introduced a car tax.

Economic policy

Energy conservation as a way to ease the recession

Oliver Lukason, Ph.D. student, University of Tartu Faculty of Economics and Business Administration

Urmas Varblane, Professor of International Business, University of Tartu

The current problems in the world economy are forcing countries to find measures to ease the impacts of the crisis, and this is also a relevant issue in Estonia. History has seen a variety of different methods to overcome crisis; the best options are measures that do not require excessive financial resources yet have an impact on various parties. One measure – increasing energy saving – has an effect on the state, households and firms.

Previous Estonian (but also world) practice shows that renovation of Soviet-era apartment houses could result in energy savings of at least 25 %. This would lead to savings of at least 875 million EEK for the Estonian population if one-half of all dwellings were renovated. At the same time, the state could earn at least 5 billion EEK in tax revenue and would retain up to 14,000 jobs annually in a five-year period. In addition, energy saving increases the country's competitiveness and decreases dependency on foreign energy resources.

The central question is to what extent and how should the state intervene in the process of energy saving. As different tasks have already been set forth in development plans, the Estonian state cannot just remain a bystander – it must intervene with administrative or financial measures. The most cost-effective course of action would be to achieve the previously mentioned results using administrative means (i.e., amendments to legislation). If administrative measures prove ineffective, direct financial support or lending for achieving the results could be considered.

Parliamentary reform

Parliamentary reform

Urmas Reinsalu, Member of the Riigikogu, Pro Patria and Res Publica Union

The author explains the factors that led the Riigikogu at the beginning of last year to form a working group devoted to analyzing the activity of the past activity of the parliament and issuing recommendations how to restructure the work of the Riigikogu if necessary. Also desired from the working group is an answer to the question of wages for senior civil servants, which has received much attention from the public. The working group will issue its interim report by the time the Riigikogu goes into recess. By the present time, the working group has prepared a collection of studies by Riigikogu analysts, some draft legislation now in proceedings before the Riigikogu, a number of noteworthy ideas and the draft legislative act governing wages for senior civil servants. Proposed amendments to the Estonian Constitution, such as the proposal to reduce the number of MPs to 81, and the idea to unite the posts of ministers and MP predominantly failed to find support in the working group. At the same time, the parliament has at the recommendation of the working group and on the basis of the valid rules of procedure, proceeded to organize a discussion on issues in various fields in the form of an issue of national importance, and involving, in the work of the plenary session, experts and representatives of other institutions. Another new feature pertains to the introduction of a reporting system in the Riigikogu, which in accordance with the draft legislation means that the standing committees would appoint from among the committee's members a reporter for analyzing a relevant issue of national importance. The report would be discussed later in the committee and if necessary in plenary session.

CONSTITUTIONAL INSTITUTIONS

Supreme Court analyses

Supervision exercised by county governors over individual administrative acts and the lawfulness of legislative drafting

Liina Kanger, Administrative Law Analyst, Supreme Court

Analysis of judicial practice pertaining to county governor's supervision revealed that the judicial branch ascribes a divergent legal effect to supervision decisions made by county governors on the basis of Subsection 85 (4) of the Government of the Republic Act constituting a proposal to bring an administrative act into conformity with legislation. Such proposals are treated variously as a challenged administrative act, a procedure, or even in indisputable opinion. If a county governor reviews an act already in the administrative procedure stage, the legal nature of the endorsement granted by the governor and its contestability are also at the centre of the legal discussion. Analysis of an example of supervision related to compiling of plans showed that the legal nature of the county governor's endorsement is not evident and – until the Supreme Court decision no. 3-3-1-61-07 of 19 May 2008 – there was no one single position in judicial practice regarding its effect on the legitimacy of the final act. In this decision, the Supreme Court emphasized that the approval of the county governor should be treated as approval of a binding nature on the basis of Subsection 16 (1) of the Administrative Procedure Act, this being a procedural act, not an administrative act, and this can be contested solely together with the final administrative act.

Involving the county governor in judicial procedure – in the event that the governor performed supervision already during the time proceedings were conducted on the issuing on the administrative act – proved to lack continuity. The governor is involved both for providing an opinion as a supervisory body, as a third party and as a party (respondent).

Divergent judicial practice does not come into being out of nothing; it signals to the legislative branch that there is a need for supplementing the regulatory environment pertaining to supervision. The article also cited as problems in current law the low interoperability of legal acts (the Planning Act and the Government of the Republic Act), lack of time limits for supervisory proceedings, failure to define the legal effect of the result of supervision, and the legal effect of participation of the person performing the supervision in administrative court procedure where the person is involved.

STUDIES AND OPINIONS

The economy

Evaluating the regional balance of Estonia's economic development

Janno Reiljan, Professor of Foreign Economics, University of Tartu

Regional disparities in economic development cause problems for a country as a whole, and thus governments try to reduce the discrepancies using public sector policy and programmes. The success of such programmes requires an adequate assessment of the differences in regional development.

Regional development strategies have been developed in Estonia, but the execution of the ideas proceeds laboriously. The article provides the traditional evaluation of Estonia's unbalanced regional development on the basis of distribution of GDP created according to

the location of registration of companies. The article also sets out various possibilities for refining the analysis on the basis of a new criterion based on the distribution of creation of value added according to the place of residence of people earning gross wages.

Regional dispersion of economic development is different from one country to the next. Over the last decade, the unbalanced state of regional development has become significantly exacerbated in many European Union member states, above all in the new member states, including Estonia. The situation in Estonia with regard to lack of balanced regional development worsened by one-third from 1996 to 2006. In terms of regional dispersion of economic development, Estonia is second in the European Union, better than only Latvia and also slightly outpacing Hungary.

The article examined the impacts of the gross wages earned per resident and total employment by economic sector on the level of creation of value added (per inhabitant). It became evident that the differences primarily stem from income level, which varies in counties up to 67 % with respect to the Estonian average. The level of creation of value added – evaluated according to the fields of activity in the structure of employment – diverged only 14 % by region.

The assessment as regards lack of regional balance obtained on the basis of the location of GDP created (location where companies and their branches were registered) proved to be more than one-half greater than the regional dispersion obtained on the basis of the place of residence of inhabitants who created value added. The fact that people commute between their homes and jobs thus evens out the share contributed to the country's GDP by each region – to a greater extent than might have been presumed from the location of companies. The margin of error in the assessment needs to be determined, however, as it stems from the discrepancies between people's actual place of residence from the region listed in the register.

For the first time, the article based its assessment of regional dispersion and analysis of related factors on data from the Estonian Tax and Customs Board on the level of the remuneration for work paid to residents of rural municipalities and towns and the distribution of wages according to field of activity.

The structure of the processing industry is out of date

Kaarel Kilvits, Professor of Economic Policy, Tallinn University of Technology

Estonia's internal market is small and for this reason, the primary source of Estonian economic growth is export – meaning sales success in the world's marketplace. Compared to branches of the processing industry aimed at the internal market, the sectors oriented at export are withstanding the global recession in 2008 quite well. In order to be successful in global competition and develop in a sustainable manner, Estonia requires much faster export growth and structural improvement. The possibilities for this exist, as the increased supply of workforce stemming from the recession opens the way to a forced flowering of the processing industry's export sector and a sudden increase in export. This, of course, requires extensive retraining and in-service training. In fact money has not disappeared anywhere and investors continue to court good ideas and companies. It is important to support changes, not the current outdated structure of the processing industry. Thus an attempt should be made to make maximum use of the geographical

reshuffle that is taking place in production – primarily through foreign direct investments and subcontracting. This gives Estonia a real opportunity to move upwards in the existing value chains by developing products, technology and sales, and to enter more profitable value chains, raising value added and profitability.

Behaviour of the labour market in the context of flexible forms of employment: the example of Japan

Janika Bachmann, Ph.D. student, Tallinn University, Institute of Political Science and Governance

The deregulated labour market became a new solution in the 1990s for reducing unemployment and offering a more efficient way for employers to cope with economic cycles. However, in recent years scientists have started discussing whether the results really support radical deregulation of labour market. Labour market analysis usually focuses on the relationship between unemployment and different employment formats. This kind of analysis does not offer an understanding of labour market behaviour among different age groups. Focusing on Japan, the author analyzes how growth in non-standard employment formats has influenced labour force participation among different age groups. Labour market participants can be seen as consumers who make their decisions based on different criteria and values. Those factors have a major influence on their labour market behaviour. As the result of the analysis, the author found that different age groups have accustomed differently to the flexible/non-standard employment formats, and their behaviour is influenced by factors outside the labour market, such as general values and attitudes, personal objectives and purposes, and social and tax policy.

Analysis of the impacts of legislative drafting

The rift between legislative drafting standards and the facts in presenting information on evaluating impacts and involving interest groups

Aare Kasemets, University of Tartu, Centre for Applied Research, head of the Better Regulation programme

Regulatory analyses of the content of explanatory memoranda to draft legislation show to what extent Estonian ministers and ministry officials are able to implement principles of knowledge-based policy and Better Regulation in legislation that impacts the lives and jobs of Estonians. The article is based on results of the seventh analysis of the regulatory content of explanatory memoranda to draft legislation (170 draft legal acts) carried out from September 2007 to March 2009, pointing up changes in the quality of information on the background of a deepening economic crisis (budget cuts) and studies conducted from 1995–2003. The author views the conflicts between the content of explanatory memoranda entered into the “eÕigus” system by ministries, on one hand, and the

government and Riigikogu's standards pertaining to the rules on regulatory techniques to be used in the drafting of legislation of general application.

The objective of the last analysis of draft legislation explanatory memoranda was to study how public sector institutions and cuts in the state budget are reflected in the structure of information in the explanatory memoranda to the draft legislation. Compared to last year (1.9.2007–1.9.2008) the share of legal acts directly tied with the European Union law decreased in the comparison period (1.12.2008–28.2.2009), along with the share of information on evaluation of socio-demographic impacts (–4 %), information on environment impact assessment (–1 %), assessment of the organizational impacts of public administration (–12 %) and information on involvement of interest groups (–14 %). At the same time, information that treats entrepreneurial and economic impacts increased (+4 %), as did information treating changes in the state budget (+5 %), references to studies and other information sources (+21 %) and information on documentation of coordination of draft legislation with state and local government agencies (3 %). The positive changes are reflected in the increased importance, as the recession began, ascribed to the situation of the business environment, the state budget, supporting evidence for analysis findings (references to studies) and showing support for other state agencies). The share of information on assessment of organizational impacts and involvement of interest groups is on a negative trend. This shows the inner insecurity of ministries regarding the future, the frequent “involvement fatigue” and the weakening of partnership relations between government agencies and interest groups.

Possibilities of developing the system of analyzing the impact of Estonian legal acts

Timo Ligi, contractual consultant, Ministry of Justice

Although analysis of the impacts of legal acts has been discussed and written about in Estonia for years, the discussion to this point has not had a significant effect on legislative drafting practice, as the discussion on this topic has not met with the necessary political attention and support. There has also been a shortage of funds for developing a thorough analysis and implementation proposals. In connection with the opportunity to use European Union Social Fund resources, the last-mentioned obstacle has been surmounted – one of the sub-objectives of the Better Regulation programme developed under the leadership of the Ministry of Justice was the development of a system for analyzing the impacts of legal acts. The working group created in the framework of this programme has now developed its recommendations for changing the way the analysis of the impacts of legal acts are organized and discussions are taking place between ministries and interest groups regarding the applicability of the proposals. The programme's steering committee has approved the proposals of the working group along with comments and immediately after the said comments are introduced, the materials developed by the working group will be made available on the Ministry of Justice homepage as well.

Financing of political parties

Put a cap on it! Establishing an upper limit on election campaign expenses

Riho Kangur, Research Department Adviser, Chancellery of the Riigikogu

Estonia has justified the need to establish an upper limit for election campaigns by arguing that campaign expenses have got out of hand as well as with the need to restore politics to the level of ideas and platforms, not a competition between ad agencies. If one is to read the summary of the reports on expenses and resources in parties' 2007 general election campaigns, published by the Riigikogu's Select Committee on the Application of the Anti-Corruption Act, the share of advertising expenses is unprecedented great compared with other campaign expenses, ranging from 54 to 93 % in the case of different parties. Election campaigns have thus become extremely centred on money, and direct contact with electorate appearing to be taking a backseat. At the same time, it is important to understand that setting an upper limit on campaign funding is not an individual and isolated issue. As with all prohibitions and restrictions placed on financing of parties, this, too, is governed by a rule of thumb. A restriction descends into self-parody if it is applied only in a symbolic manner and there is no practical way to enforce the prohibition and it cannot be enforced neutrally and effectively and if violations cannot be sanctioned.

Estonian legal space and human rights

Tangents between the Estonian legal space and the European Court of Human Rights

Mart Susi, Chief Specialist, University of Tartu International Summer University; Consultant with Hansa Law Offices

As of spring 2009, the European Court of Human Rights had issued 18 substantive court decisions regarding cases originating in Estonia. The European Convention on Protection of Human Rights and Fundamental Freedoms and the decisions of the European Court of Human Rights are directly applicable in the Estonian legal space, including by courts. Unfortunately there is a lack of comprehensive data for evaluating the actual extent to which these decisions are applied and their impact on ensuring of the fundamental rights of persons under Estonian jurisdiction. The decisions of the Supreme Court as the highest court in the Republic of Estonia evince an observable but not dominant reliance on the convention and European Court of Human Rights decisions. In the opinion of the author there are still a number of areas in the Estonian legal space where the regulatory environment established by legal norms or the application of standards in practice may be in conflict with the European Court of Human Rights' interpretation of the Convention's scope of protection.

Parental benefit

The impact of the parental benefit on the labour market and family planning

Andres Võrk, PRAXIS Center for Policy Studies, Analyst

Marre Karu, PRAXIS Center for Policy Studies, Analyst

Ene-Margit Tiit, University of Tartu, Professor Emeritus

The article analyzes parental benefits, which were established in Estonia in 2004, and their possible effect on family planning decisions and employment of women. The article is based on a research project financed by Ministry of Social Affairs and uses micro-level data from several Estonian registries. The parental benefit compensates one of the parents 100 % of their previous wage up to 18 months after childbirth. The article shows that high-earning women, who gained most from the introduction of the benefit, have increased their family planning. The share of women giving birth to the second or third child increased among the top two wage quintiles considerably faster since 2004 compared to low wage earners. The parental benefit scheme has also raised the labour force participation of low wage earners before childbirth. On the other hand, it has reduced the speed at which they return to the labour market after childbirth, especially among the top quintile of wage earners. The latter may be due to the partial restriction on receiving parental benefits and high wages simultaneously. The article concludes that introduction of the parental benefit has created several positive effects, but it is very expensive and minor parametric improvements could be made.

Political culture

Estonia's political culture: political styles and the political process

Leif Kalev, Director, Tallinn University Institute of Political Science and Governance, Associate Professor of State Theory and State Law

Ott Lumi, Lecturer in Public Policy, Member of the Riigikogu, Pro Patria and Res Publica Union

Tõnis Saarts, Lecturer in Political Science, Tallinn University Institute of Political Science and Governance

The authors state that the palette of political styles incited by core values in Estonian politics is variegated and does not stand in the way of further development. The authors feel there are two primary reasons that the quality of policy-making suffers. These are the post-communist history and the low level of institutionalization. For example, secularism, low power distance and the national ethos as the core values of Estonian political culture should allow the entire political environment to be targeted much more to a long-term approach. Unfortunately such typical qualities of post-communist policy – such as a political party landscape that is not completely institutionalized, relations between political groupings that are emphatically of the “majority-rules” nature, and products of low institutionalization such as zero-sum games and the central government’s low capacity for coordination – prevent Estonia from fully realizing values characteristic of the Nordic political sphere. Ultimately the development of civic culture proves crucial. How do people see their roles as citizens and how actively are they prepared to take part in public life – this largely determines the possibilities for shaping policy.

E-learning

The revolution that never was: Developments in ICT-supported learning in primary and tertiary education

Anu Toots, Professor of Comparative Administrative Policy, Tallinn University Institute of Political Science and Governance

Tõnu Idnurm, Lecturer in Social Policy, Tallinn University Institute of Political Science and Governance

E-learning has been high on the political agenda in Estonia for more than ten years due to unusual consensus on the issue amongst political parties. Also, there is a widespread belief that information-communication technology (ICT) radically enhances the quality of teaching and learning. However, several studies have demonstrated that using educational technology *per se* does not make a difference in learning outcomes. The current article aims to analyse why the use of ICT in education has so far resulted in incremental rather than paradigmatic change. The discussion is based on the data from international studies (TIMSS, SITES, PISA) and national surveys (Tiger in Focus, three waves). These rich data allow us to make comparisons within lower secondary schools and universities in Estonia, and within lower secondary schools in Estonia, four East Asian and four Western European countries. The general conclusion is that development of e-learning across educational levels and selected countries has surprisingly many similarities, including similar barriers to the development of e-learning (heavy workload of teachers, low support from headmasters and unclear work regulations). On the other hand, important variations also exist. International comparison shows that Estonia, Japan, Taiwan and Finland form a group of countries that score high in student achievements but are only at a medium level in the use of ICT in teaching. Within this group Estonia stands out as a country where teachers use ICT in their personal practices innovatively, but in students' ICT-supported practices the conventional pedagogy is dominant. Thus, in Estonian lower secondary schools traditional learning and e-learning tend to converge towards a conventional style of teaching. Converging tendencies can be found also at the university level. Yet here innovative methods, typically attached to the web-dependent courses such as dissemination of study materials and freedom of choice, become widely used also in traditional face-to-face courses. This phenomenon can be explained by the neo-liberal thinking in higher education that stresses client orientation and easy access to learning. The article comes to the conclusion that despite remarkable progress in the quantity of e-learning, some worrying tendencies are apparent. E-learning has not succeeded in switching the teaching and learning from simply dissemination of knowledge to the cooperative construction of knowledge. Until this paradigmatic change occurs, the potential of ICT-supported learning in building a socially coherent knowledge-based society cannot be fully used.

Insularity

Estonia's islands at the dawn of the 21st century – falling behind or coping?

Kaia Eelma, Head of the Information Service, Kuressaare College of the Tallinn University of Technology

Aado Keskpaik, Development Adviser, Muhu Municipal Government

Maret Pank, Head of Research and Development Department, Kuressaare College of the Tallinn University of Technology

As a whole, the structure of the islands' economy is often one-sided and very vulnerable, the level of the working population's skills is lower and there is less innovation than in other regions, the range of public services is limited and the price level is higher. The unfavourable conditions – a product of geographic position and historical factors – have in the regional policy of many countries raised the question of whether islands need special treatment. Even though the European Union acknowledges in its primary law that the state of being an island is a permanent structural deficiency, in EU regional policy, being island-like is not in itself a factor that conditions aid. Nevertheless, a number of member states (such as Finland) apply insularity to their island regions, which means they use political measures to compensate for the structural deficiency. In this area, the Permanently Inhabited Small Islands Act which entered into force in 2004 is the most important. In the conditions of the positive economic climate seen in recent years, the Act has contributed to many positive shifts in the situation facing small islands. Rural municipalities that have islands have through additional state assistance supported retained connections with the small islands, made investments into ports and roads and organized waste handling. In spite of all of this, the permanent settlement on small islands has continued to decline and there has not been major development in the area of employment and enterprise. The economy of Estonia's large islands (Saaremaa, Hiiumaa, Muhu) has grown used to being insular and there does not appear to be a development gap on an Estonian scale.

Innovation

A small country's security sector as an engine of innovation

Lauri Tabur, Research and Development Director, Public Service Academy; Ph.D. student in innovation policy, Tallinn University of Technology

In transition countries such as Estonia, solely the vaunted open economy and foreign investments do not automatically engender a broader transformation of industrial structure from mass production toward greater knowledge and skills. At the same time, many policies that determine the direction of Estonia's development have, at least in words, confirmed their readiness to be open to progressive developments taking place in the world – novel aspects of social order (civic society, for instance) and the development of information and communications technologies. This rhetoric is largely based on the evaluations from international organizations that deal in development scenarios, which forecast a technological and economic revolution spanning 10-20 years in information, bio- and nanotechnology and cognition that will thoroughly transform all walks of life and offer many new and more rapid economic growth opportunities than any other science and technology field. In a certain sense, information, bio and nanotechnology represent

horizontal technologies that allow a significant increase in productivity in all walks of life and economic sectors. It is not necessary to possess deep knowledge of the security sector or a relevant field of technology to find strong areas of potential for implementation of new technologies in the state security sector. Rather, the reason for development taking place separately in each field is a lack of awareness of what other fields have to offer. Thus the first step the security sector could take in support of the technological development should be to create a substantive dialogue between partners.

CIVIC SOCIETY AND STATE AUTHORITY

Financing associations

State policy for financing civic associations in Estonia

Marion Bobkov, Chief Specialist, Local Government and Regional Administration Department, Ministry of the Interior

Mari Mandel-Madise, Consultant, BDA Consulting

By decision at the cabinet meeting, the Government of the Republic has approved the strategy, introduced by the Minister for Regional Affairs, for reorganizing the financing of civic associations from the state budget, the goal of which is to create a comprehensive system for state financing of civic associations. The central problem that needs to be resolved in the strategy is that ministries have not linked the financing of civic associations with national priorities and the functions of ministries. There is a missing link between the purpose of use of funds and the ministries' functions. Nor do the ministries engage in joint financing of fields; instead there tends to be redundancy, which points to the fact that the state has thus far lacked a common understanding and overview of the target groups and fields on the civic association landscape that require financing. To make financing more effective, principles are being developed for assessing performance of funding civic associations from the state budget, improving collection and processing of information on funding of associations. Development activities that allow greater uniformity of financing practices will also be implemented in ministries, agencies in the ministries' area of government, and local governments.

HISTORY OF THE PARLIAMENT AND INTERNATIONAL RELATIONS

1st Riigikogu

The Communist Workers' Group in the 1st Riigikogu (1920-1923)

Mari-Leen Tammela, post-graduate student in history, University of Tartu

In the War of Independence, Estonia's Bolsheviks had been part of the Russian Communist (Bolshevik) Party. The founding congress of the Estonian Communist Party on 5 November 1920 in Tallinn, and represented the formal break with the Russian

organization. This did not result in substantive independence, however, as the source of instructions and funds continued to lie beyond the borders, from the members of the ECP central committee in Russia which kept contact with Comintern. The activity of most of the Bolshevik organizations was prohibited in Estonia by decree of the head of domestic security in December 1918. As the clearly expressed goal of the communists was the violent overthrow of the so-called bourgeois government, the ECP saw no reason to come out from underground. A key milestone in changing this behaviour proved to be the Second Congress of the Comintern held in Moscow in the summer of 1920, which resolved to supplant underground work with a public lobby in the interests of greater effectiveness. Thus participation in political life began to be handled through various "false fronts" – first and foremost the trade unions. In the 100-member Estonian Riigikogu elected in 1920, the communists, who had stood in the Central Council of Tallinn Trade Unions' list, received 5 seats. These seats began to be actively used according to the guidelines for members of parliament in communist groups, issued by the Second Comintern Congress. The practical work of the communist group was led by the underground ECP central committee's political office, which wrote most of the Bolsheviks MPs' speeches and addresses in parliament. In April 1921, a courier for the underground contingent was arrested and the communist MPs' covert ties to the ECP central committee and seditious activity was exposed. This was followed by trials and convictions; a number of the Bolsheviks were expelled from the parliament. The last of these occurred in December 1922 on the basis of court decision. This brought to a close the history of the Central Council of Trade Unions' list of candidates, as several candidates had previously been convicted, some had emigrated, and some had dropped plans to be seated in the Riigikogu.

LITERATURE AND DATABASES

The ISE database of Estonian articles

Küllli Solo, head of the ELNET Consortium ISE database working group; Lead Specialist, Estonian National Library parliamentary information centre

On 2 January 2009 the new database of Estonia articles, *Index Scriptorum Estoniae* (ISE), at <http://ise.elnet.ee> was opened to users. This database, the result of cooperation between 12 libraries in the ELNET Consortium, contains articles from newspapers, magazines and journals, serial publications and anthologies and collections from the 1990s on allowing the full-text to be accessed in free digital archives and Web publications. The database is free of charge and can be used in Estonian or English. In essence, articles are categorized into the following thematic databases: education, humanities, language and literature, art, music, theatre, film, social sciences, nature and physical science, medicine and health care, rural economy and the environment, sport, tourism, leisure time, technology, industry, construction, IT. Searches can be conducted by author, title, publication, word, keyword or publication date. The bibliography includes nearly 420 serial publications and magazines, in addition nearly 100 Estonian- and Russian-language dailies, weeklies and county newspapers. One should take into consideration that some Russian-language articles (older period) were transliterated, newer ones appear in Cyrillic. About 200 new articles are added to the database each day.