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PUBLIC SERVICES

Maija-Liisa Järviö
Risto Sullström
Urve Venesaar

Maija-Liisa Järviö, VATT, Government Institute for Economic Research, Helsinki
Risto Sullström, University of Helsinki, Helsinki
Urve Venesaar, Estonian Academy of Sciences, Institute of Economics, Tallinn

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ABSTRACT: Finland and Estonia resembled each other a lot in their socio-economic development in 1922-1938. The subsequent period of fifty years of development under two different economic systems have led to vastly different economic structures. In 1990 the share of public expenditure to GDP was 41 % in Finland, while in Estonia it was 23 % in 1990. There are differences between the public consumption structures of Finland and Estonia: in Finland more emphasis has been laid on social security, health care and education, while in Estonia greatest expenditure has been made on education, housing and community amenities. In both countries the public sector has the responsibility to produce and to finance the main part of social, health and educational services and these services are mainly free of charge for users. However, in the quantity and the level of social security transfers there are considerable differences between Finland and Estonia. In Estonia all cultural services have been produced and financed by the state, while in Finland there is a mixture of public, partly publicly promoted and private cultural services.

KEY WORDS: public services, social security, health care, education, cultural services.

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TIIVISTELMÄ: Ensimmäisen maailmansodan jälkeen, vuosina 1922-38, Suomen ja Viron yhteiskuntakehitys oli samankaltainen. Toisen maailmansodan jälkeen maiden erilaisista talousjärjestelmistä johtuva kehitys johti erilaisiin yhteiskuntarakenteisiin. Vuonna 1990 bruttokansantuotteesta käytettiin julkisiin palveluihin Suomessa 41 %, kun taas Virossa vain 23 %. Myös julkisten kulutusmenojen rakenteessa on eroja: Suomessa on kehitetty sosiaaliturvaa ja terveys- ja koulutuspalveluja, kun taas Virossa huomattava osa julkisista kulutusmenoista on käytetty koulutuksen ja asumisen tukemiseen. Molemmissa maissa julkinen sektori vastaa tärkeimpien sosiaali-, terveys- ja koulutuspalvelujen tuottamisesta ja rahoituksesta ja nämä palvelut ovat käyttäjilleen useimmiten maksuttomia. Kuitenkin sosiaaliturvan laajuudessa ja tasossa on maiden kesken huomattavia eroja. Virossa valtio on vastannut kaikkien kulttuuripalvelujen rahoituksesta, kun taas Suomessa kulttuuripalveluja tuottavat sekä julkinen että yksityinen sektori ja yksityisesti tuotettuja kulttuuripalveluja tuetaan julkisin varoin.

ASIASANAT: Julkiset palvelut, sosiaaliturva, sosiaalipalvelut, terveydenhuolto, koulutus, kulttuuripalvelut.

6. PUBLIC SERVICES¹

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¹ The chapter "Public Services" has been written at the Finish side by M-L. Järviö, R.Sullström, K.Koljonen, at the Estonian side by U.Venesaar, T.Püss, P.Tang, V.Katus, E.Välimaa. Tables and figures have been edited by R.Maldre. The chapter has been translated and edited by M.Kirsspuu and J.Rogers.

PREFACE

This paper is part of a research project organized by the Institute of Economics of Estonian Academy of Sciences, the Government Institute for Economic Research and the Research Institute of the Finnish Economy. In the paper the structure and the development of public welfare and cultural services after first and second world war is compared in both countries.

As the development priorities generally focused on the expansion of the goods-producing sectors, the service sector has remained quite under-developed. Differences in the development of the service sectors in Finland and Estonia have, without doubt, been influenced by the differences in economic and social policy. The service sector as the whole economic structure in Estonia - its organizations, enterprises, capital stock, skills, individual attitudes and economic geography - were under tight central political control. That is why there are differences in administration of public services. In Finland the administration of the public sector is decentralized and divided between central and local governments. In Estonia the administration of the public sector, as well as the whole economy, was left up to the central government, while local the administration of the economy. The overcentralization of administration became an obstacle to the economic development, especially in the service sector. Only with the start of the administrative reform in 1990 did the legislative foundation come into force, on the basis of which the local administrations can decide and direct themselves in the development of services in their district.

The quantitative and qualitative specification of public services is complicated and needs the synthesis of a vast amount of information and special research. In this chapter mainly data of statistical yearbooks have been used, which enables us to produce only a rough picture concerning the public services of these two countries. Other statistical materials and sources have also been used to explain the essence of general indicators.

In comparison of public services in Finland and in Estonia such indicators as public expenditure, social security, health care, educational and cultural institutions have been used. We have also analyzed the use of the respective services rendered and activities of population.

In this chapter we analyze the development of public services (social security, health care, education and cultural services). We focus upon changes in the provision of Finnish and Estonian public services before and after the Second World War and seek, when possible, to find out factors influencing these developments.

6.1. PUBLIC EXPENDITURE

Public expenditure includes public consumption and investment expenditure and current transfers. Public expenditures can be further broken down according to the purposes for which they are used. One possible classification is: 1) individual services, ie. education, social services and health care, which are also called welfare services and 2) collective services, ie. administration, public order and safety, defence, etc. In this project we concentrate on the development of welfare services in Finland and Estonia.

In Finland public expenditure accounted for 41 per cent of GDP in 1990 (Table 1). The ratio have risen by 11 percentage points in 1970-80 and by five percentage points in 1980-90. The rapid growth rate is caused by the reforms of primary school (1972), The Primary Health Care Act (1974) and several social reforms in the 1980's. About half of total public expenditure is public consumption expenditure, which are mainly used to product public services.

Of wage-earners 38 % worked in public sector in 1989 and according to a report by the Government Institute for Economic Research (VATT) nearly 80 % of these persons worked in public services: 23 % in social services, 28 % in health care and 26 % in education.

The share of public expenditure in the national economy of Estonia has changed little during last decades. Public expenditure accounted for 23 % of GDP in 1990, which is almost half of the corresponding share in Finland. About one half of public expenditure is consumption expenditure.

In Finland education, health services and social services (welfare services) are the most extensive task areas and, accounting for nearly two-thirds of public consumption expenditure. The traditional collective functions including administration, internal and external safety are, used one-fifth of all public consumption expenditure.

Table 1: The ratio of public expenditure to GDP in Finland, %

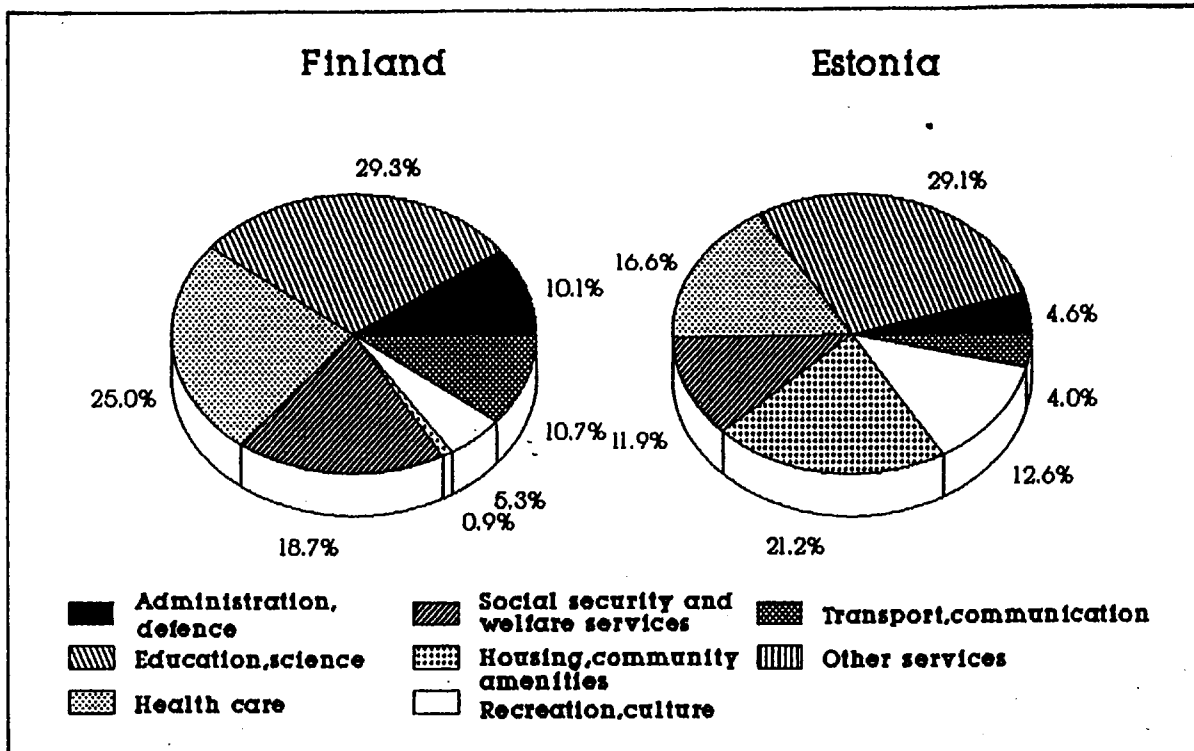
	1960	1970	1980	1990
FINLAND				
Total	26.7	30.6	36.8	41.3
Consumption	11.9	14.5	18.1	21.1
Investment	4.5	3.5	3.6	3.5
Current transfers	9.8	12.2	14.5	16.4
Other expenditure	0.4	0.5	0.6	0.4
ESTONIA				
Total			23.1	
Consumption			12.2	
Investment			2.5	
Current transfers			8.4	

Source: National Accounts in Finland 1981-1990; Information prepared for International Monetary Fund (IMF) in November 14-15, 1991, on the basic indicators of the Estonian economy; Statistika aastaraamat 1991. Eesti Vabariigi Riiklik Statistikaamet. Tallinn, 1991, p. 64.

Differences between the public consumption structures of Finland and Estonia are considerable. In Finland more emphasis has been laid on education, health care and social security. In Estonia the greatest expenditure has been made on housing and community amenities, education and science (Appendix 1, Figure 1).

In Estonia two thirds of public consumption expenditure entails provision of education, health care, culture and social security services, which were free for the population. The small share of finances allocated to public services can be explained by the relatively low salaries in this sector (in health care 66 %, education 71 %, culture 65 % of the average salary of the Republic in 1990). At the same time the number of people employed in this sphere has been relatively large.

Figure 1: The structure of public expenditure in Finland and Estonia in 1990



In Estonia large sums have been allocated in the government budget for the financing of housing and construction, while the share of state-owned flats is approximately 70 % of the whole housing stock. At the same time the rent was very low and by no means covered maintenance costs. Plans call for raising rents manifold in 1992, however, thereby considerably reducing the subsidization of housing. The state-owned flats will eventually be privatized.

The structure of Estonian public expenditure does not include state defence expenditure, since this was financed from the Soviet Union budget. This fact reduces the comparability of public expenditure in Finland and Estonia and increases the relative share of welfare services in the structure of Estonian public expenditure.

An important objective of public expenditure is to develop the structure of the economy by investment in infrastructure.

Investment expenditure covers about eight per cent of public expenditure and investment in transport and in education predominate in the public investment in current transfers of Finland.² In Estonia the investments have decreased almost by half in 1980-1990 and represented only 2.5 % of GDP in 1990. Over two thirds of investments in Estonia were made in housing and education.

The aim of current transfers is to improve the living conditions of people whose possibility to live a normal life is otherwise difficult. The main part of current transfers in Finland and Estonia include subsidies, social security benefits. In Finland they also include social assistance grants and transfers to domestic sectors.

In Estonia most of the social security expenditures are current transfers but the share of these benefits in GDP was only 8 % in 1990. In Finland in 1989 the share of total subsidies going to enterprises was 17 per cent and to households and nonprofit institutions 24 per cent. The main part of the subsidies to households were social security benefits and social assistance grants. Support rendered by means of the tax system, ie. tax expenditure, results from tax concessions granted to certain potential sources of tax revenue. In 1988 tax expenditure on social security, health care and education, science and culture were FIM 13.5 billion.

The administration and financing of welfare services in the public sector in Finland are based on the responsibility of local authorities to organize the provision of services, a mixture of local and central government funding and supervision and control by the central government. The term local authorities denotes municipalities and federations of municipalities, which are voluntarily established to provide certain services for citizens belonging to the members of the federation.

² The Finnish Economy to 1994. Ministry of Finance. Helsinki 1989.

Welfare expenditure covers about 80 per cent of consumption expenditure of municipalities. These expenditure are funded by general government (43 %), by municipalities (46 %) and by users (11 %). The system of state subsidies has been based on costs of services. The proportion of costs which is financed by the state has depended on the economic situation of a municipal and has varied between services.

Public services in Estonia were mostly (over 60 %) financed from the government budget. Moreover, budget revenues of the central and local governments formed an integral whole up to 1991. Revenue and expenditure in the budgets on all levels were planned from above. Almost all (98 %) taxes and other revenue were included in the central government budget, from which they were allocated to the local budgets, mainly for the financing of public services. The economic and social situation in the various regions was not taken into consideration to a sufficient extent. That was one reason for the formation of the underdeveloped borderlands in Estonia. In the course of the administrative reform in Estonia (since 1990) the local governments have become more independent in drawing up their budgets and the principles of budget formation are going to change. In connection with rearrangements in the budgetary financing and in economy as a whole the budgetary expenditure on public service and its structure will probably change as well.

In Estonia over one-fifth of public services was financed by state-owned, cooperative and communal enterprises and collective farms. A smaller share was derived from centralized all-Union funds and from trade-union budgets. Military expenditure were financed from the Soviet Union budget. In addition, enterprises provide considerably large sums for the construction of dwellings, for the maintenance of kindergartens, for feeding their workers and for other needs, which need not be reflected in separate entries and it is not possible to consider these expenditures. For this reason the actual consumption expenditure in Estonia is somewhat higher than that covered by the statistics.

In the future the share of enterprises and organizations is

probably going to decrease due to the heavy tax burden which reduces their finances. The taxes for enterprises are increasing in connection with the replacement of the direct financing of health care with the medical treatment insurance system (since 1992) and with a farming social fund for financing other social expenditure (appendix 2).

In conclusion, in Finland and Estonia the responsibility to provide and finance welfare services lies with the public sector. These services are mainly free of charge for users. The main differences in public expenditure of Finland and Estonia relate to

- the share of public expenditure in GDP;
- the growth rate of public expenditure;
- the structure of public expenditure;
- the sources of revenue;
- the administration of the public sector and its financing.

6.2. SOCIAL SECURITY

The aim of social security is to improve the welfare of people and compensate for the differences between incomes to ensure a normal standard of living.

The need for public services and especially for social security services depends on various demographic and socio-economic factors, ie. average lifetime, income level, the average size of families and the number of non-working people and all other groups who need social aid.

The number of those under 15 years and over 65 years is the demographic indicator of the population at a non-productive age. In Finland the share of these persons is somewhat lower (19 % in 1990) than in Estonia (22 %) but the share of those over 65 years of age is nearly the same.

The need for social security in Finland and Estonia should be similar on the basis of the similarity of demographic indicators. In Estonia the share of both children and elderly persons is more stable than in Finland, where the share of children is decreasing faster and the share of the elderly persons is increasing faster.³ In recent years the share of people over 70 years of age temporarily has decreased in Estonia (Table 2).

In Finland the share of elderly persons is steadily increasing because of the rise in life expectancy and a high birth rate in the late 1940's and early 1950's. In Estonia both have been comparatively stable. In 1970 the life expectancy of Estonian females was longer (74.5) than that of Finnish females (73.6), but today it is the other way around: the life expectancy in Finland is 70.5 for

³ Chapter 1 (H.Hindov).

males and 78.7 for females and in Estonia 65.3 and 74.9⁴ respectively. In Estonia the share of nonworking age population has increased in the last decade because of the increase in the share of people in retirement age.

Table 2: The share of elderly persons in the populations of Finland and Estonia, %

	1970		1980		1990	
	Fin-land	Esto-nia	Fin-land	Esto-nia	Fin-land	Esto-nia
In retirement age						
60 years and over	14.4	16.8	16.7	16.3	18.4 ¹	17.3
65 years and over	9.3	11.9	12.1	12.6	13.3 ¹	11.7
70 years and over	5.5	7.3	8.0	8.2	8.9 ¹	7.4

¹1989

Sources: Statistical Yearbooks of Finland 1982, pp. 39-40; 1990, p. 70; 1991, p. 399; Eesti arvudes. Lühike statistika kogumik. Tallinn, 1990, p. 9; Statistika aastaraamat 1991. Eesti Vabariigi Statistikaamet. Tallinn, 1991, pp. 10-11.

Factors of importance for social security include the purposes ascribed to the social policy, which are expressed in the setting of the retirement age and in the choice of other contingent for social security. Hence, due to the lower retirement age (60 for males and 55 for females) in Estonia the needs for pension insurance are relatively higher than in Finland.

On the other hand, the needs of social security and maintenance depend on the number of dependents in society. How to meet those needs depends on the level of economic development of the country and the social and economic policies of the government. Differences in the latter are the reason for the different levels of social maintenance and insurance in Estonia and Finland. On the other

⁴ Statistical Yearbook of Finland 1982, p. 71; Demographic Yearbook 1989. United Nations. New York 1991. pp. 470-495; Eesti NSV rahvamajandus 1988, p. 21; Tablitsa smertnosti za 1989-1990 g. po Estonskoi Respublike. Moskva, 1991.

hand, the proportion between the non-working and working population determines the possibilities of social security. The growth of the also share of non-working people of retirement age in Estonia can be explained by the effect of the new economic policy. The non-working portion of the working age population increased at the same time on account of the growth of the number of disabled persons and other groups (women on maternity leave, persons taking advantage of the lower retirement age, unemployed persons, and those not seeking work). There are relatively more persons of working age out of the total population in Finland than in Estonia. This creates better conditions for Finland to support the non-working population. In this chapter the Finnish and Estonian social security systems are analyzed by classifying them.

One way to consider the Finnish and Estonian social security systems is to classify into the financial assistance programs, the health security programs (which are considered in Chapter 6.3) and the social services according to the purpose of the assistance. The social insurance systems of Finland and Estonia include pension insurance, sickness insurance, family and child benefits, unemployment protection, while Finland also provides occupational accident insurance and local authority income support (Appendix 2). The Estonian and Finnish social security systems will be compared on the basis of the above classification.

6.2.1. The development of Finnish social policy⁵

In the beginning of the 20th century the most significant reform in social policy was the National Pensions Act in 1937. Before that reform the main form of social security was assistance to the poor. According to the National Pensions Act all residents of

⁵ The text describing the development of Finnish social policy is based on KELA's publication by J.Pajula, E.Kalimo: "Social Security in Finland". Helsinki, 1989.

Finland were entitled to National Pension Insurance benefits, including old-age, invalidity, unemployment and survivors' pensions. Together with the Maternity Benefit Act in the same year and the Accident Insurance Act in 1935, the emphasis in social insurance shifted from insurance of the employees to national insurance.

After World War II helping the war disabled, war widows and orphans and carrying out the resettlement of evacuees was the most urgent task. In the 1940's an important sociopolitical reform was a National Family Allowance in 1948. According to the reform every Finnish child under 16 years of age is entitled to a child allowance, which is determined by the order of birth of the child.

The next significant reform was that of the National Pensions Act in 1956. Through the reform, income security provisions for the elderly and disabled were extended to cover all residents of Finland above the age of sixteen. The national pension became a flat-rate, means-tested benefit, which was intended to provide a minimum of basic security. Because national pensions were not earnings-related, another compulsory old-age and invalidity program was created in 1961, occupational pension insurance.

The National Sickness Insurance program was created in 1964. As compensation for loss of income (sickness and maternity allowances), National Sickness Insurance improved the income security of the population of working age: as a system providing for refunds of medical expenses, it promoted the development of out-patient health care. The National Sickness Insurance included maternity insurance, which provided each mother a maternity allowance and access to maternity care measures.

Through the occupational pension insurance the labor market organizations became actively involved in the development of social security and earnings-related social security became the primary point of interest. Along with income policy, social security was made part of an overall policy based on economic growth. The state and local government pension programs were unified along the lines of the private-sector pension insurance. Survivors and unemployment pensions were gradually combined with the National Pension Insurance and

occupational pension programs (in 1967, 1969 and 1971) and the pension insurance of farmers and self-employed persons with occupational pension insurance (in 1970). An across-the-board raise for future pensions to equal 60 % of earned income was carried out in 1975 and a group life insurance program in 1977.

The abolishment of means-testing in National Pension Insurance was planned to be implemented in four stages. While the first three stages were carried out in 1980-85, the final stage has yet to be implemented. Flexible pension age provisions in National Pension Insurance, occupational pension insurance and public-sector pension programs were carried out in 1986-1989. Due to many reforms concerning social security, related expenditure, specially pension expenditure, have increased rapidly specially in 1980's.

After World War II Finland grew relatively fast into a society in which all citizens are provided with income security under social security programs. Every resident of Finland is eligible for social insurance benefits irrespective of citizenship (Appendix 2).

The most important social services have been the care of the elderly and the disabled and children's day-care. Services have been arranged both in institutions and as out-patient care.

The first day-care centers were established in 1880's. The law concerning state subsidy for day-care centers was given in 1927, although the first funds for day-care centers were in the state budget in 1919. According to the law passed in 1936 municipalities had a duty to establish an institutional framework to promote children's home care. The most important point in children's day-care was the law in 1973: the law gave administrative and economic framework to develop children's day-care and municipalities were required to provide day-care corresponding to the demand for it. Municipal day-care in families had been begun in the end of 1960's but its growth begun after the law in 1973. In the 1980's places in children's day-care have been increased by two thirds. It has been estimated that half of the children under seven years of age would need day-care and in 1990 the shortage of day-care places was estimated at only seven per cent. Local authority day-care facilities

can now accommodate over 200 000 children, but the overall objective is to enable all parents of children under the age of three to place their children in local authority day-care if they so desire.

In past decades the care of the elderly was centralized to the institutions. In the 1970's and 1980's the aim has been to increase home care. In 1960 there were over 27 000 places in homes for the elderly, the amount increased until the end of 1970's but subsequently diminished in the 1980's and was 27 000 places in 1990. Because the number of the elderly has increased during the last three decades, in the 1980's in homes for the elderly there was a place for every tenth person over 75-years old, when the relation in 1960's was twice as high.

In a time when places of homes for the elderly have decreased, the amount of service-houses and home-help have increased. According to the recommendation of the National Agency for Welfare and Health the amount of places in homes for the elderly should be 7-8 percent of those over 75 years. In 1990 202 000 families and 18 % of those over 65 years, received domestic help provided by local authorities.

Social services are provided by local authorities, either on their own, with their co-operation, or under their supervision. Services are financed by state subsidies, local taxes and userfees (Table 3).

Table 3: Expenditure and financing of certain social services in 1990 in Finland

	Consumption expenditure FIM million	Financing		
		State	Munic. %	Users
Children's day-care	3967	43	47	10
Day-care in families	2495	42	45	14
Homes for the elderly	3075	39	42	18
Home help	1628	42	45	12

Source: Social Security in 1990. Ministry of Social Affairs and Health. Helsinki, 1992. p. 67, 80-82.

6.2.2. The development of social security in Estonia

Systematic organization of social security started gradually in the first years of the independent Republic of Estonia. In 1925 the Social Security Act was adopted, in Estonia which established social security principles recognized in European countries. An independent Ministry of Social Security was founded in 1936. Up to then social security was administered by the Ministry of Health and Social Security programs. Child welfare was to be separated from other social security. After World War II child care was borne into the sphere of health care and education. The present social maintenance of Estonia is dealing with the elderly and disabled persons (both adults and children). But for better comparison child welfare problems are also considered here under social security.

In 1937 financial support and services were rendered to 59 000 persons, ie. 5.2 % of the population. Social security expenditures were mainly divided between the state (40 %) and municipalities (55 %), while the share of private organizations was 5 %.

The state primarily took care of children and the mentally ill. The task of municipalities was to establish homes for elderly persons, invalids and children, as well as taking care of the poor and the disabled. The state supported the maintenance of wards by municipalities and private organizations. Social maintenance was divided into open (medical care free of charge and subsidies to the disabled, sick persons and their families), that are social insurance measures, half-closed (communal flats and alms-houses for social maintenance), and closed (children's homes, homes for the elderly, homes for the mentally ill and blind persons).

The development of social security is reflected also in the development of retirement insurance. Pensions were first established for the veterans of the War of Independence and their families in the independent Estonia. Later pensions were awarded to several groups of civilians. An Act passed in 1920 reestablished the previous pensions of Russia. In 1921 pensions were awarded to those who participated in

the establishment of the Republic, in 1924 to state and municipality employees, to military men, in 1926 to employees of state-owned enterprises. In 1936 two new acts combining these laws were adopted: the Pensions Act and the Pension Act for Military Personnel.

In 1939 1.5 % of the Estonian population received a pension, 3 % of the population received disability or old-age insurance and 20 % sickness insurance.

In 1940 there were 37 social maintenance institutions for 3162 persons in Estonia. The prewar level was reached only after 1950. In 1950-1980 the number of places in institutions and number of wards doubled. During the last decade (1980-1990) these indicators have somewhat decreased. But the need for in-patient treatment has not decreased. In 1990 a high number of persons waited to be admitted to those institutions.

A large part of the homes for the elderly, disabled persons and children are presently in old buildings adopted to social maintenance. They need capital repairs and are often overcrowded. The shortage is especially great in homes for the mentally ill and children.

In the 1970's some homes for the elderly were also established by collective farms. In 1976 general types of homes for the elderly were transferred to the administration and financing of local governments. The Central government supports them with capital investments. Specialized institutions for the mentally ill remained under the central administration.

Rendering of social aid to elderly and disabled persons at home started in Estonia in 1986. In 1991 there were over 23 000 elderly and disabled persons living alone in Estonia. One third of them (7 % of the population over 70 years of age) needed social care. In 1990 3600 elderly persons received out-patient social aid and 1550 in-patient social aid, all together 2/3 of registered requests.

In 1956 the State Pensions Act went into effect. As a result pensions increased two or even more times. The state started to support mothers with many children and unmarried mothers. In 1965 collective farm pensions were established. The pensions of collective

farmers were initially three times smaller than state pensions due to their low wages. After the wages of agricultural workers and collective farmers were raised in the 1970's and 1980's the average collective farm pensions approached state pensions.

The Soviet pension laws established the pension age of 60 for males and 55 for females and required lengths of service of 25 and 20 years respectively. Such requirements were valid also in several socialist countries.

In April 1991 a new pension act came into force in Estonia, according to which a person can get only one of five possible kinds state pensions (Appendix 2). In addition to that the employers pension and voluntary retirement insurance systems are under elaboration. The new law did not change the age-limits, but it changed the order of calculating the length of service and the pension itself. Up to then the pension depended only on the length of one's service and the average labor income. The new law connects the calculation of pensions also with the minimum wage.

In 1990 total expenditure on social security and welfare services accounted for 10 % of the GDP, most of which consisted of pensions and subsidies. Thus the share of services is small, only 14 % of the total social security expenditure (Appendix 3). Social services for children (day-care and children's homes) cover about 60 % of state budgetary expenditure on social services. Nearly one half of the budgetary service expenditure for the elderly and disabled is used for in-patient services (Table 4). Nearly a half of budgetary expenditure for the elderly and disabled are financed from the central government budget. Expenditure for children are financed mostly from local government budget.

Table 4: State budgetary expenditure on social services in Estonia in 1990

	Mill. rubles	%
Total services	60.38	100.0
For the elderly and disabled	24.17	40.0
In-patient care		
-homes for aged and disabled people	13.71	22.7
-homes for disabled children	12.24	20.3
Out-patient care		
-home help	1.47	2.4
Other	0.50	0.8
For children ¹	9.96	18.4
	36.21	60.0

¹ Children day-care and child welfare.

Source: Ministry of Finance of Estonia.

6.2.3. A comparison of social security in Estonia and in Finland

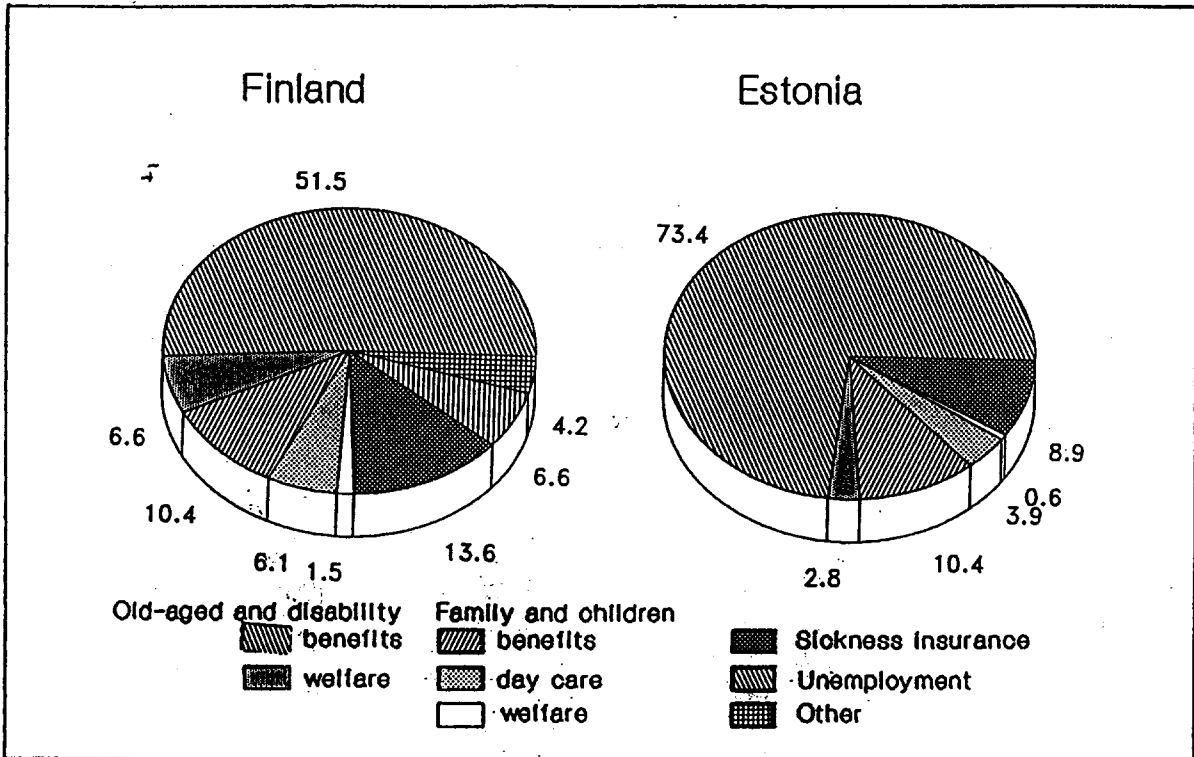
The comparison of the social expenditure with the GDP gives an idea about the relative size of these expenditure. Estonia has lagged behind Finland by the share of social expenditure in GDP. Estonia has by now reached the level Finland attained in 1970 (Appendix 3). The share of social security expenditure (excluding health services) of GDP in Finland in 1990 was 21 %, over two times bigger than in Estonia in 1990 (10 %).

The expenditure on social maintenance and social insurance in Finland have increased more rapidly than in Estonia. In the 1960's the social expenditure per capita increased slowly in Finland since the benefit funds were small and the creation of the system of social insurance was unfinished. In the 1970's the growth rate of social expenditure increased both in Estonia and in Finland. Only the growth rate decreased in the 1980's.

In Estonia over 60 % of expenditure on social security is paid as pensions; in Finland this share is over 50 %. Benefits and welfare for elderly and disabled persons make up 3/4 of social security expenditure in Estonia and about 60 % in Finland. The share

of expenditure on family and children in Finland is bigger than in Estonia (Figure 2, Appendix 3).

Figure 2: Structure of social security expenditure in Finland and in Estonia in 1990



The system of pension insurance of Finland is different from that of Estonia. In Finland it consists of many stages, a person may receive pension from different foundations. In Estonia there were state and kolkhoz pensions and no unemployment insurance until 1991. According to the new Pensions Act (1991) there is only one state pension system in Estonia now.

The general retirement age for the national pension is 65 in Finland. There are differences in retirement ages between occupational pensions, for instance, it is 65 years in private sector and 63 years in public sector. Due to the lower retirement age the share of people of retirement age in Estonia exceeds the share in

Finland (in 1990 20 % and 13 % respectively). At the same time the share of those who receive pension benefits is about the same in Estonia and in Finland because the pension system in Finland allows one to go into retirement before reaching the official retirement age (Table 5).

Table 5: The structure of pension beneficiaries, %

	1980		1990	
	Finland	Estonia	Finland	Estonia
Persons getting pension, % of population	20.2	21.2	22.7	23.4
% of pensioners, total	100.0	100.0	100.0	100.0
-Old-age pension	63.1	76.2	65.0	77.1
-Disability pension	28.4	14.2	26.6	10.6

Sources: Social Security in 1990. Ministry of Social Affairs and Health. Helsinki, 1992. pp. 55-58 ; Eesti arvudes 1989. Lühike statistiline kogumik. Tallinn, 1990, p. 9; Statistika aastaraamat 1991. Tallinn, 1991, p. 11.

The pension benefits systems the share of old-age pension beneficiaries in the total number of pensioners in Estonia is considerably higher than in Finland due to the differences in the pension benefits systems, especially the different retirement age. In 1990 the share of old-age pension beneficiaries in the total population was 15 % and that of disability pension beneficiaries 6 % in Finland in 1989, while in Estonia the corresponding shares were 18 % and 2.5 %. Such a big difference may be due to the difference in requirements for the pension age and the length of services, but also in needs for disability insurance.

Expenditures on pension benefits and the size of the average pension have grown more rapidly in Finland than in Estonia. In Estonia the average pension was about 1/3 of the average wage, in Finland about 40 %. In practice the pension can be estimated by the ratio to wages and by its purchasing power. During the 1980's in Finland average pensions grew more rapidly than average wages but in

Estonia the growth of wages was stronger (Table 6). In Estonia one-third of pensioners continue working because of the necessity of bringing home extra incomes in addition to quite the low pensions and living standard. Working pensioners can be on a job and receive a limited pension at the same time.

Table 6: Average pension in current prices in Finland and Estonia (mk/per month, roubles/per month, % of average wage)

	Finland		Estonia	
	1980	1990	1980	1990
Average wage	3686	9352	189	341
All pensions	1440	3896	66	109
% of average wage	39	42	35	32
Old-age pension	1475	3924	71	113
% of average wage	40	42	38	33

Sources: The Ministry of Social Maintenance of Estonia; The Ministry of Social Affairs and Health of Finland.

During recent years the material situation of pensioners of Estonia has sought to be improved with the establishment of a minimum pension (in 1991 and 1992 provisionally the equal living allowance for all pensioners), raising it in accordance with the cost of living. But the economic situation of the pensioners continues to deteriorate.

In Finland services for elderly and handicapped persons include home help and other external services, pensioners' dwellings, homes for the elderly and care of the handicapped. The main type of care of elderly and handicapped persons in Estonia are homes for the elderly and homes for the mentally ill. There are only a few dwellings in Estonia for pensioners. Home help delivery began in Estonia in 1986 and is underdeveloped.

In Finland social services for children and families include children's day-care, child welfare work and youth care services. Estonian institutions of youth care belong to the health care system

(homes for children up to four years old) and public education system (children's day care centres and homes for children over four years old). Estonian social maintenance system includes only children's homes for handicapped children (four homes for 500 children).

In Finland there are various kinds of social services for elderly and handicapped persons. In the care of elderly persons the backwardness of Estonia per 1000 old-aged is 4-fold. In Estonia the number of places in institutions for handicapped people per 1000 inhabitants is 1.8 times as big as in Finland (Table 7, Figure 3). There are differences in the quality of help as well as in the principles of organizing the care. In Estonia the main stress is laid on inpatient care, while Finland has concentrated on developing outpatient care. During the 1980's the number of places in Finnish homes for the elderly have not increased, the number of places in homes for disabled persons has decreased while there has been an increase in the number of places in dwellings for elderly and disabled persons.

Table 7: Number of the places in institutions of social maintenance

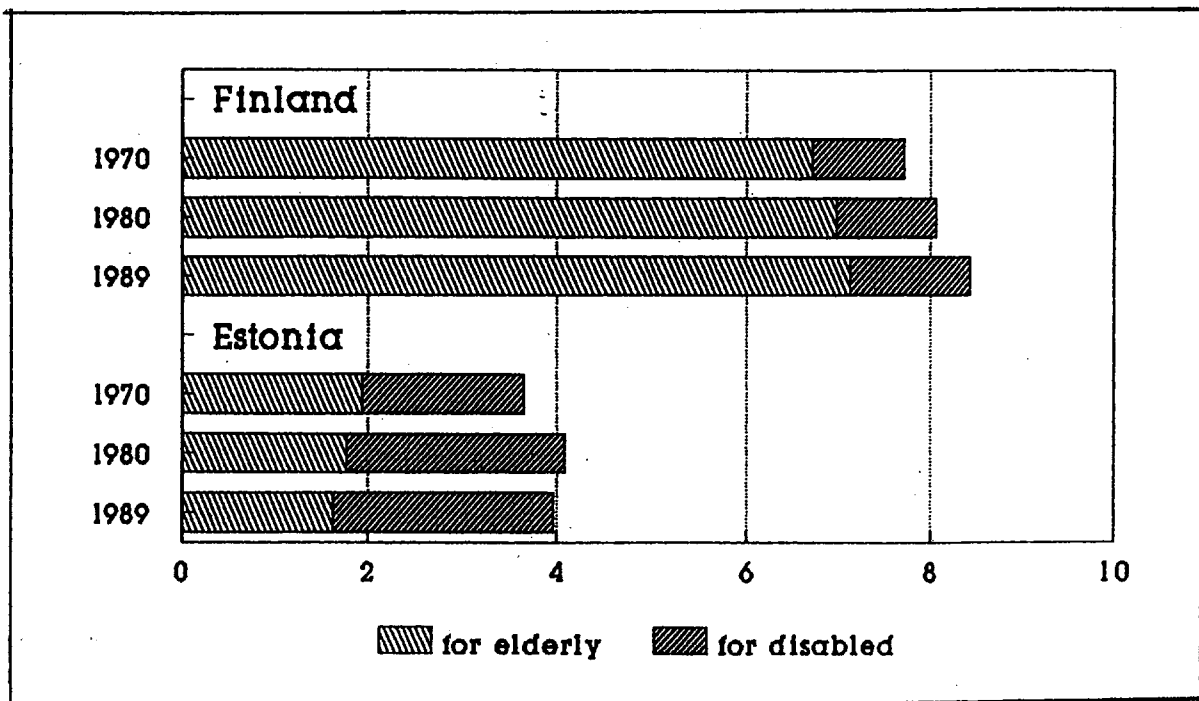
	Finland			Estonia		
	1970	1980	1989	1970	1980	1990
Per 1000 inhabitant						
Inpatient care	7.7	7.3	7.0	3.7	4.1	3.8
- homes for elderly	6.7	6.3	6.0	1.9	1.8	1.4
- homes for disabled	1.0	1.0	1.0	1.7	2.3	2.3
Outpatient care	..	0.8	1.5	..	..	..
- dwellings for elderly	..	0.6	1.1	..	..	0.2
- dwellings for disabled	..	0.1	0.4	..	..	..
Per 1000 old-aged						
- total for elderly	71.7	57.8	55.2	16.2	14.2	14.0
- in homes for elderly	71.7	52.6	46.9	16.2	14.2	12.2
Per 100 children						
in day-care institutions	3.3	13.0	27.0	50.0	63.0	60.0

Sources: The Ministry of Social Affairs and Health of Finland; The Ministry of Social Maintenance of Estonia.

In Estonia the volume of institutional social maintenance is

fairly stable, with open maintenance being developed only recently. In Finland every sixth (18 %) elderly and disabled person was delivered home help already in 1990. In Estonia two elderly and disabled persons per 1000 inhabitants (1.5 %) of elderly persons received home help in 1990.

Figure 3: Number of places in institutions of social maintenance in Finland and Estonia



The network of pre-school children institutions is more extensive in Estonia. The number of places in children's day-care centres per 100 children is twice as large in Estonia than in Finland. If to add family day-care in Finland, in both countries to 60 % of children at the pre-school age were delivered day-care services.

To sum up, it must be said that in Estonia there is no such variety of social services as in Finland. Rendered services are of low quality because of the shortage of means allocated for this

purpose and of the depreciation of existing material basis. There is also a shortage of qualified staff in the Estonian social maintenance system.

Inflation and the fast increase of the cost of living require frequent raising of the minimum wage and pensions (or living allowances) together with the payment of ever larger compensations to the risk groups.

In connection with new economic policy, differences in incomes of individuals are increasing and that determines the formation of new social security policy as well. If Estonian economic strategy and social policy proceeds from the experience of Nordic countries, this would mean a rapid increase of social expenditures.

Conclusions:

The public sector in both countries has taken the responsibility to produce day-care of children and the care of elderly and disabled persons. Taking account of the age structure of population there are no significant differences in the need of social security between Estonia and Finland. All though the share of pensioners in the total population are alike, but (about one-third in 1990) pensioners in Estonia continue working because of the necessity of earning extra incomes in addition to the quite low pensions.

Differences between Finland and Estonia prevail in

- social security and social maintenance expenditure;
- structure of transfers;
- variety of social services;
- retirement age and the required length of service;
- social policy, assistance programs;
- development tendencies of social maintenance.

6.3. HEALTH CARE

Health policy programs in many countries also include the aim of ensuring equal access to health services, regardless of income or region of patients. To facilitate this, the public sector has often at least partly taken responsibility to finance and to provide health services.

The organization of health services are divided to the institutional care, ie. hospital care and to the ambulatory care.

6.3.1. The development of Finnish health care

Already at the end of the 1800's a system of municipal physicians was in place. At the end of the 19th century epidemic diseases had been prevented by vaccinations. During 1940's and 1950's maternal and children's health care were developed of the municipal level. Most of the health care resources in the 1950's and 1960's were allocated for the development of the hospital system. As a result of intensive and large-scale hospital construction Finland has the highest number of hospital beds per capita of the developed countries.

In 1964 National Sickness Insurance was set up to remove the economic burden for the use of medical services in primary medical care. Finland is a country with both national sickness insurance and national health care schemes.

Because of the shortage of physicians in the late 1960's three new faculties for medical training were founded, facilitating rapid growth in the number of physicians in the 1970's.

The reform of municipal health care with the primary Health Care Act in 1972 favored out-patient care. The Act defined several out-patient care services as municipal responsibilities. Due to the Act health care services provided by local authorities are partly financed by state subsidies. The Act contained a planning system which includes an annual political decision by the Cabinet,

simultaneously approving the national plans for hospitals and primary care.

Nowadays the health care services are mainly produced by municipalities and federations of municipals. At the end of the 1980's there were 217 health centres, of which 112 were formed by two or more municipalities, and 424 hospitals, of which most were owned by local municipalities, usually jointly. In addition to public out-patient care there is a wide sector of private physicians, whose patients are supported by national sickness insurance. In-patient care is provided by public hospitals and by a few private hospitals. Public hospitals are classified as hospitals of health centres (13), university hospitals (5), central hospitals (16), regional hospitals (30), mental hospitals (46) and private hospitals (8).

Public health services are mainly financed by state subsidies and by local taxes (Table 8). The finance system of state subsidies is based on costs of services. The proportion of costs which is financed by state subsidies has been dependent on the economic situation of a municipal. Health centre services are provided free of charges, while is charged for hospital services.

Table 8. Health care expenditure by source of financing in Finland, %

	Central Government	Municipalities	National Sickness Insurance	Households	Other Private Sources
1960	28	30	0	39	3
1965	30	32	6	29	3
1970	33	32	11	22	2
1975	37	30	13	18	2
1980	38	29	12	18	2
1989	35	34	11	17	3

Source: U.Häkkinen: Cost, financing and prices of health care in Finland 1960-87. Helsinki, 1989. p. 17. Statistical Yearbook of the Social Insurance Institution. T1:26. Helsinki, 1991. p. 45.

National sickness insurance covers also various health services in work places. According to the Occupational Health Act (1979) employers have to arrange statutory occupational health services for their employees. The cover of employer-operated

occupational health services has growth from 34 per cent to over 80 per cent from 1970 to 1986. Occupational health services are provided mainly on a private basis.

Expenditure on hospital care has constituted nearly a half of Finnish health care expenditure. The share has decreased during the 1980's because of the development of ambulatory care (Table 9).

Table 9: Health care expenditure by source of use in Finland, %

	1960	1970	1980	1989
Hospital care	44	50	49	45
Ambulatory care	23	22	27	34
Medicines	17	13	11	9
Expenditure of public health care	55	74	79	83

Source: OECD Health Data 1991:

Nowadays the main problems in Finland public health care are rapidly growing expenditure and long waiting times for certain surgical operations.

6.3.2. The development of health care in Estonia

According to the law on the organization of health care (1928) the organization, administration and supervision of health care in Estonia were the responsibility of the Ministry of Health and Social Security, who carried this out through the Board of Health and Social Security. The principle of decentralization was applied in the organization of health care: the practical work in providing health care took place on the local government level. There were three kinds of hospitals: state-owned, municipal and private hospitals. In addition to hospitals there were also consultation offices for mothers and children and dispensaries for consumptive, sanatoria, institutions for the mentally ill, etc. Out-patient aid was rendered mostly by private physicians; dispensaries were owned by sickness funds and schools. In 1920-1938 the activity of sickness funds was stepped up. The number of doctors increased gradually and societies of physicians were founded. The training center of doctors has always

been Tartu University.

The health care information was pursued mainly by the Estonian Public Health Museum, founded in Tartu in 1921, and after 1921 also the periodical "Tervis", etc.

After the establishment of Soviet power in 1940 the state health organization was founded and medical and in-patient aid became free of charge.

The Estonian hospital network was influenced by the introduction of the Soviet health care system in 1945, when extensive conversion of buildings built for other purposes began. The number of hospital beds multiplied, but the in-patient treatment actually worsened. In 1946-1975 only 47 % of hospital beds taken into use were in new buildings; the rest were in buildings converted into hospitals (schools, hostels, etc.). Construction of hospitals was backward also in comparison with the construction of other buildings of social infrastructure (day-care centers, shops, etc.).

Since 1975 the construction of modern hospital buildings has increased in Estonia. Main structural units in the Estonian health care system are hospitals, ambulatories and sanatoriums. In 1990 there were 125 hospitals, 372 ambulatories and 15 sanatoriums in Estonia.

In the Estonian health care there has been shortage of modern diagnostic and surgical instruments and medicines. The construction of health care establishments has also long been insufficient.

The technical backwardness and the weak economic basis (no fees, low wages, etc.) and strong centralized administration of health care are the main reasons for the problems in the health care system in Estonia, for example the improper balance between in-patient and out-patient care, distributions inappropriate ratios between doctors and other medical staff, inefficient use of beds and equipment, etc.

In Estonia all public health establishments and medical aid were free of charge and services were mainly financed by the state up to 1990. In addition to state financing health care was financed also by enterprises and institutions. An essential part in building hospitals in the countryside has been paid by collective farms. By 1990 the institutional financing of health care has decreased drastically. In 1990 state budgetary expenditure on health care

accounted for 88 % of the total expenditures, 30 % of this from the central government budget and 70 % from local budgets. More than 3/4 of the expenditure on health care are ambulatory and hospital care expenditure, the major part of these are covered by hospital care (Table 10). At the same time the share of private medical services began to increase in 1990. From the beginning of 1992 a charge has been collected for a visit to a doctor in ambulatory care.

Table 10: Structure of expenditure on health care in Estonia in 1990, %

	All expenditure	State budgetary expenditure
Total	100.0	100.0
Inpatient care	76.4	71.4
Outpatient care		7.5
Other programs	23.6	9.4
Medicines	..	11.7

Sources: Statistical office of Estonia; Estonian Ministry of Finances

At the beginning of 1992 an essential change took place in the Estonian health care system: the ownership reform and the transition to a system of medical treatment insurance began. In the course of the ownership reform a number of previously state-owned medical institutions will be transferred to municipal ownership. All city, county and district hospitals, clinics, dispensaries (excl. departmental), ie. over 4/5 of medical institutions, dependent on the state budget will be municipalized. Nevertheless numerous small medical cooperative, private clinics and joint-stock companies have been established in Estonia during recent years. Service charges are very high in those establishments and therefore their services are not available to the less affluent population.

The Medical Treatment Insurance act went into force in 1991. In all secondary-level local administrative units (counties and republican towns) sickness insurance funds have been created, mainly by means of an obligatory medical treatment contribution from employers. The sickness insurance fund keeps track of the insurance by one's place of residence and sickness benefits will be paid from this fund (Appendix 2).

In addition to obligatory medical treatment insurance an employer or individual will have a right to have a voluntary medical treatment insurance in the future. There are three kinds of possible voluntary insurance - insurance paid in foreign currency, collective voluntary insurance, and individual voluntary insurance.

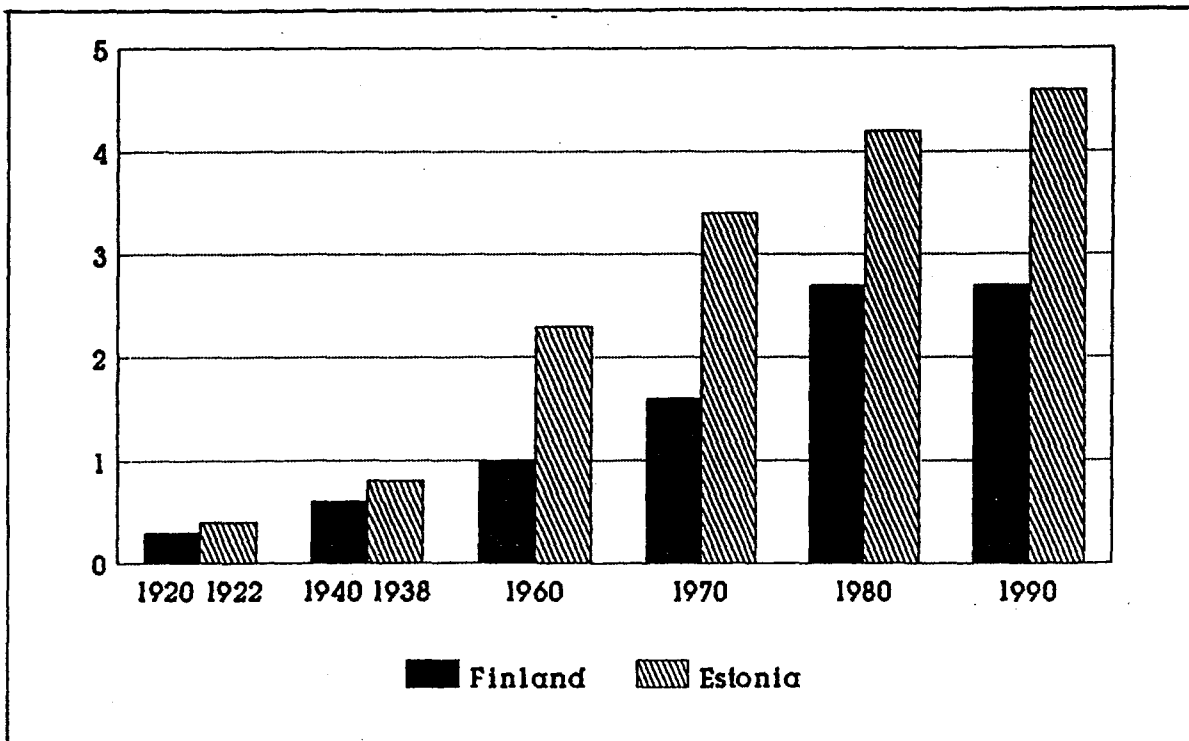
The transition to the insurance based medical aid is accompanied by a charge for a visit in the case of outpatient treatment and a change in the system of financing of health establishments and physicians.

6.3.3. A comparison of health care in Finland and Estonia

Before the Second World War the health care systems were quite similar in Finland and Estonia.

Before 1940 the relative number of physicians was almost equal in Estonia and Finland (Appendix 4, Figure 4). After 1945 the number of physicians increased rapidly in Estonia due to changes in the system of health care: Estonia adopted the Soviet system of health care.

Figure 4: Number of physicians per 1000 inhabitants



In 1960-1970 there were about twice as many physicians per 1000 inhabitants in Estonia as in Finland. Later this difference has diminished a little. On average an Estonian visited a physician nearly three times more often than a Finn. This illustrates the difference in access to medical care (Appendix 4).

When looking at the total number of medical workers in the system of the Estonian Ministry of Health (physicians, active health personnel) it turns out that the large number of physicians per 1000 inhabitants is caused by relatively low number of nurses, midwives etc. (Table 11).

Table 11: Active health personnel

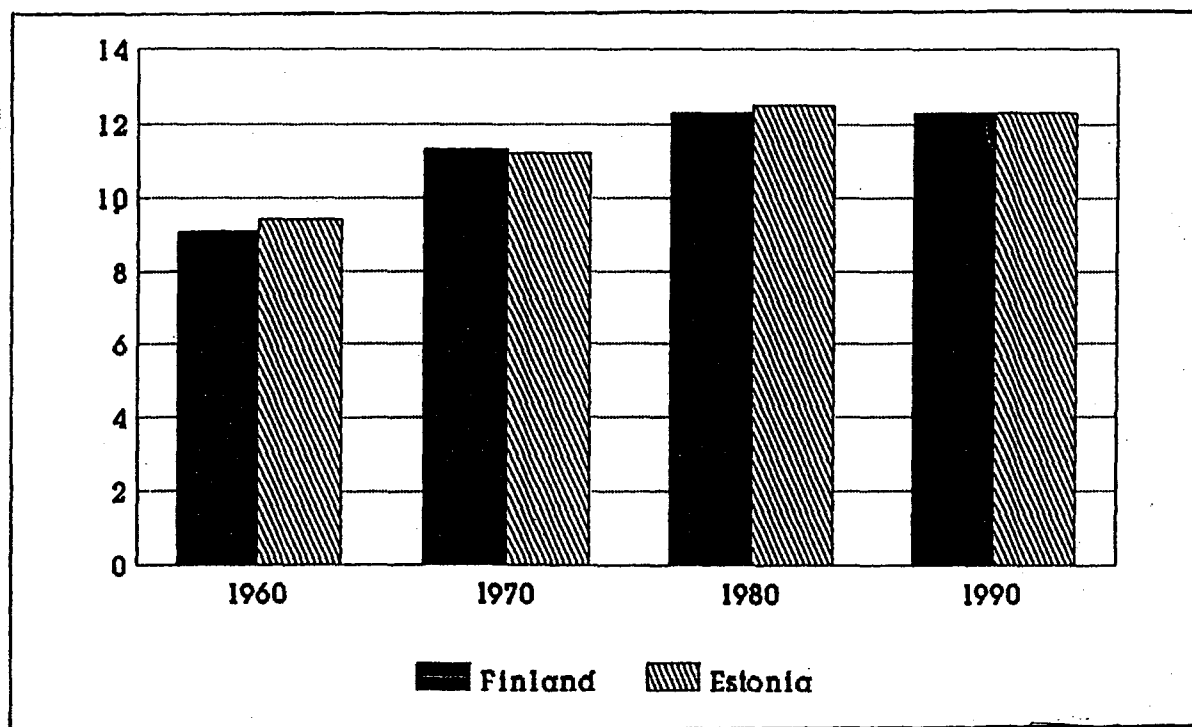
	Total number		Number per 1000 inhabitants	
	Finland 1986	Estonia 1988	Finland 1986	Estonia 1988
Number of physicians	9871	5487	1.9	3.5
Number of dentists	3794	759	0.8	0.5
Number of other staff ¹	83562	14220	16.2	9.2

¹ Nursers, midwives, etc.

Source: Statistical Yearbook of Finland 1991. Helsinki, 1992. p. 397; Data of the Ministry of Health of Estonia.

The number of hospital beds per 1000 inhabitants increased steadily in Finland and in Estonia up to 1980. In the past years the number of hospital beds per 1000 inhabitants has not increased in Estonia (Figure 5). This trend has continued and is connected with the growth and regulation of the efficiency of the treatment system, and the reorganization of medical care and social maintenance (hospitals in the rural districts often fulfill the functions of social maintenance).

Figure 5: Number of hospital beds per 1000 inhabitants



One hospital and bed is serving on an average nearly the same number of people in Finland and in Estonia. When comparing the number of hospital beds in different countries, however, the material conditions of hospitals, surface norms, etc. should be taken into account as well. For instance, in the case of Estonia central heating and hot water as well as the level of the amortization of buildings (over 35 % on average) were not taken into consideration. Such a conventional bed fund makes only 55 % of the existing number of hospital beds of Estonia. There are also differences in specialization of hospitals.

One of the most often used indicators of the efficiency of health care is the life expectancy of inhabitants. In 1989 in Finland the life expectancy for males was 71 for females 78 years, in Estonia 66 and 75 respectively.

Another indicator of the standard of health care is the infant mortality rate, which is defined as the number of infants who

die before their first birthday per one thousand live births. This figure was 6.0 for Finland in 1989 but 12.3 for Estonia in 1990, ie. twice as high.

The analysis of the causes of death can also give an idea about health care indicators. In 1990 cardiovascular diseases (60 %) held the first place in Estonia, tumors (16 %) were second and injuries and poisonings (10 %) third.⁶ In Finland the main causes of death were the diseases of the circulatory system (50 %), neoplasms (20 %) and diseases of the respiratory system (7 %).⁷ This means that main causes of death in Finland and Estonia are similar.

Conclusions:

In Finland and Estonia the public sector has the main responsibility to produce health care services, which are mainly free for users.

Main differences in health care between Finland and Estonia occur in:

- financing and the structure of expenditure
- number of physicians and medical personnel
- material and technical supply of medical institutions
- organizational system
- existence of a private health care system in Finland

⁶ Eesti rahva tervis ja tervishoid 1990. aastal. Tallinn, 1991. p. 17.

⁷ Suomen tilastollinen vuosikirja 1990. Helsinki 1990. p. 98.

6.4. EDUCATION

The present comparison of the formal educational system of Estonia and Finland discusses two structural aspects, ie. general and vocational education.

By the formal educational system we mean school systems organized for systematical teaching of children and the young which takes place in accordance with curricula and program during an extended period of time. Such differentiation is necessary in order to distinguish supplementary education of adults that may take place in different ways and forms and mainly during a brief period of time.

6.4.1. The education system and its development in Finland

A statute in 1866 obliged towns to establish elementary schools, while in rural areas the establishment of schools was voluntary. Studies in elementary schools took six years in towns and four years in rural areas. In 1922 a law was passed concerning compulsory education. In 1943 the Elementary School Act was adopted, which instigated compulsory education for all 7-16 years old. The elementary school took six years which was then supplemented by two years of secondary school. Elementary schools were free of charge. After the fourth year in elementary school pupils had a possibility to continue in elementary school or switch to secondary school. A vocational school could be chosen after either of them, but only the upper secondary school gave right to continue in higher schools and universities. The upper secondary schools and high schools were mainly privately owned and thus not free of charge.⁸

According to a statute in 1968 elementary school with nine classes was replaced with general schools. The reform was carried through in 1972-77. A law on comprehensive school took effect in

1983, according to which compulsory education begins at the age of seven and lasts ten years. Pre-school begins at the age of six and there is established a voluntary tenth year.⁸

The regular education system in Finland comprises the comprehensive school, senior secondary school, vocational education institutions and the universities. There are no pre-schools in Finland, but instruction of this kind is provided at day-care centres, which are under the jurisdiction of the social welfare administration and linked with the comprehensive schools. In addition to the regular education system, formal education is also given in music schools and colleges and institutions of physical education, which provide training for both professionals and amateurs.⁹

The general school is compulsory and free of charge for the whole age group 7-16, including the disabled. The subjects taught at the general school and the senior secondary school are fixed by law, time allocation and optimal subjects being decided on by the Government. All individuals completing the general school have the same eligibility for further education.

Post-compulsory education is divided into general education given in the upper secondary schools and vocational education provided in the vocational institutions.

The upper secondary school is a three-year educational institution. The school concludes with a matriculation examination consisting of centrally administered tests which are identical for all senior secondary schools in the country. The matriculation examination provides pupils with a general qualification for higher education and other forms of education which require the completion of such an examination.

The Finnish university system consists of 20 institutions, of which 10 are multi-faculty universities, three technical universities, three schools of economics and business administration,

⁸ Kivinen-Rinne-Ahola. Koulutuksen rajat ja rakenteet. Helsinki, 1989. pp. 33-46.

⁹ Education in Finland 1991. Helsinki 1991, p. 211.

a veterinary college and three academies of art. All the universities provide undergraduate and postgraduate education, confer doctorates and are required to carry out research. It takes 6-8 years to complete the first degree (master's degree), while a post-graduate degree (licentiate, doctorate) takes several more years.¹⁰

Expenditure on the regular education system in 1990 was 5.8 % of GDP. Approximately 90 % of the costs of Finland's educational institutions are publicly financed, of which 24 % comes from the state and 76 % from local authorities.

Table 12: The distribution of expenditure of the education system in Finland in 1990, %

Total	100
Comprehensive schools	45
Vocational institutions	21
Universities	14
Adult education	8

Source: P.Parkkinen: Koulutusmenojen kehityspiirteitä vuoteen 2030. VATT Research Reports 9/1992. Helsinki, 1992. p. 47.

Adult education in Finland is provided within the formal education system, at places of work, by various organizations etc. One third of all adult participants were educated within the formal education system and two thirds outside the system, the latter type of course being of much shorter duration. The adult education is only partly free of charge. Participation of adults has increased rapidly since 1980, when 30 % of the population were attending. Some 1.6 million persons attended adult education in 1990, ie. 44 % of the population aged 18-73 years.¹¹

The expenditures on research and development have steadily increased in the 1980's and in 1990 the share of these expenditure of GDP was two percent. The public sector (central government administration, other public institutions and the private non-profit

¹⁰ Education in Finland 1991, Helsinki 1991. p. 214.

¹¹ Education in Finland 1991. Helsinki 1991. p. 241

sector) has funded 19 per cent of R&D expenditures. R&D expenditure by universities covered the same share as the public sector per se and was mainly funded by the central government budget.

Table 13: Distribution of estimated research and development expenditure, %

Year	Public sector	Higher education sector	Business enterprise sector	Share in GDP
1983	21.4	22.9	55.7	1.3
1990	18.7	19.0	62.3	1.9

Source: Research and development in Finland 1989. Education and research 1991:7. Central Statistical Office of Finland. Helsinki, 1991.

6.4.2. The education system and its development in Estonia

In the 19th century Estonians had schools in their mother tongue, but in 1887, as a result of the russification policy teaching in Estonian was forbidden in all kinds of schools, excluding religious instruction and lessons on the Estonian language itself. The Estonian school system was formed during the period of independent Estonia. In 1918 compulsory education was established for all aged 9-14. In 1920, the primary school act extended the limits to 7-16 years. Primary school was free of charge. Primary education could be obtained also in private schools or at home (with the permission of local school councils). In 1920-1934 the secondary school was based on a six-year elementary school. In all secondary schools tuition fee was charged.

The number of vocational schools, especially industrial, technical, agricultural and home economics schools, grew rapidly since the beginning of the independent statehood. Vocational education turned out to be the most advanced branch of education in the Republic of Estonia.

After 1940 the education system was radically rearranged in

Estonia, based on the system of general schools. In organizing lessons and educational work the principles of Soviet pedagogy were followed. The whole educational system was politicized, which meant that for several decades pupils were deprived of objective information, especially in the field of history and social sciences.

The vocational school system was reorganized. It was especially ruinous that the socio-economic base of this type of education (private and small-scale production, family farming, trade, etc.) was destroyed. Seven-year compulsory education was established, which was implemented by the end of 1951. In 1959 a law was adopted according to which a eight-year compulsory education was established. The same law envisaged the reorganization of the vocational, secondary, professional as well as higher education. In 1967 a task was set to implement general secondary education, which was realized by 1980. Vocational schools were also changed to provide secondary education.

In 1984 a new educational reform was started concerning the general and vocational education. The aim was to organize the mass training of workers. This reform was the last in the long period of the centralization and unification of the Estonian education.

At the present time new foundations for educational system are under elaboration in Estonia, the aim being to bring education into line with today's requirements. A possibility has cropped up to found alternatives (Stainer-school, humanitarian institute, etc.) to the public educational system. The state guarantees free compulsory education. According to legislation adopted in March 1992.

In 1980-1990 the current expenditure on education increased 53 % and were 4.4 % of GDP in 1990. Funding for education in Estonia have been allocated from the government budget (92 %), from the funds of public and cooperative organizations (0.3 %), and from the funds of ministries and enterprises (7.7 %).

In 1990 expenditure on education made over one-fourth of the general expenditure on public services, among this consumption expenditure 85 % (Table 14). Relatively greater expenditure was spent on general education but very little on adult education.

Table 14. Distribution of government expenditure
on the education system of Estonia in 1990

	The structure of expenditure %
Total	100.0
Elementary and secondary schools	62.1
Vocational schools	18.3
Higher schools	17.0
Night schools and advanced training courses	2.6

Sources: Statistical Office of Estonia

In Estonia problems of science are considered within the realm of education as a branch of public services.

In the 17th and 18th centuries the focus was upon the compilation of Estonian grammar and dictionaries. The reopening of the university in Tartu in 1802 was accompanied by the foundation of research establishments. Tartu University became a prominent research center, contributing considerably to chemistry and medical sciences. The Tallinn Technical University, founded in 1936, became the research center of technical sciences. In 1938 the Estonian Academy of Sciences was founded as a scientific research center. The Academy provided financial support for its members for their research work as well as scholarships for scientists and subsidized research work of scientific societies. In 1940 the work of research establishments and scientific societies was reorganized.

In 1946 the Estonian Academy of Sciences was refunded, and the subject matter of research had to be comparable to the other Union republics. The research activity was determined by the unification and centralized leadership of research work.

In 1989 there were about 100 research establishments (including construction, design and research organizations) in Estonia, including 17 institutes of the Academy of Sciences and six public universities.¹² The number of research workers was 7100, including 352 holding doctoral degrees.¹³ Research work was financed

¹² Eesti Statistika aastaraamat 1990. Tallinn 1991. p. 361.

¹³ J.Laas: Läbi kriiside uuele teaduskorraldusele. Eesti kroonika 1990. Tallinn 1991. p. 69

from public funds. In 1990 the expenditures on science were 84 million rubles, half of which were financed from the government funds of Estonia, 14 % from the all-Union budget, and the rest (37 %) from the funds of enterprises.

The main problems in Estonian science are its poor technical facilities, low wages, relatively high age of scientists, institutional hierarchical structure and isolation from world science. The aim of the development of sciences is to advance the cooperation with the whole world and to participate in the research program of different countries.

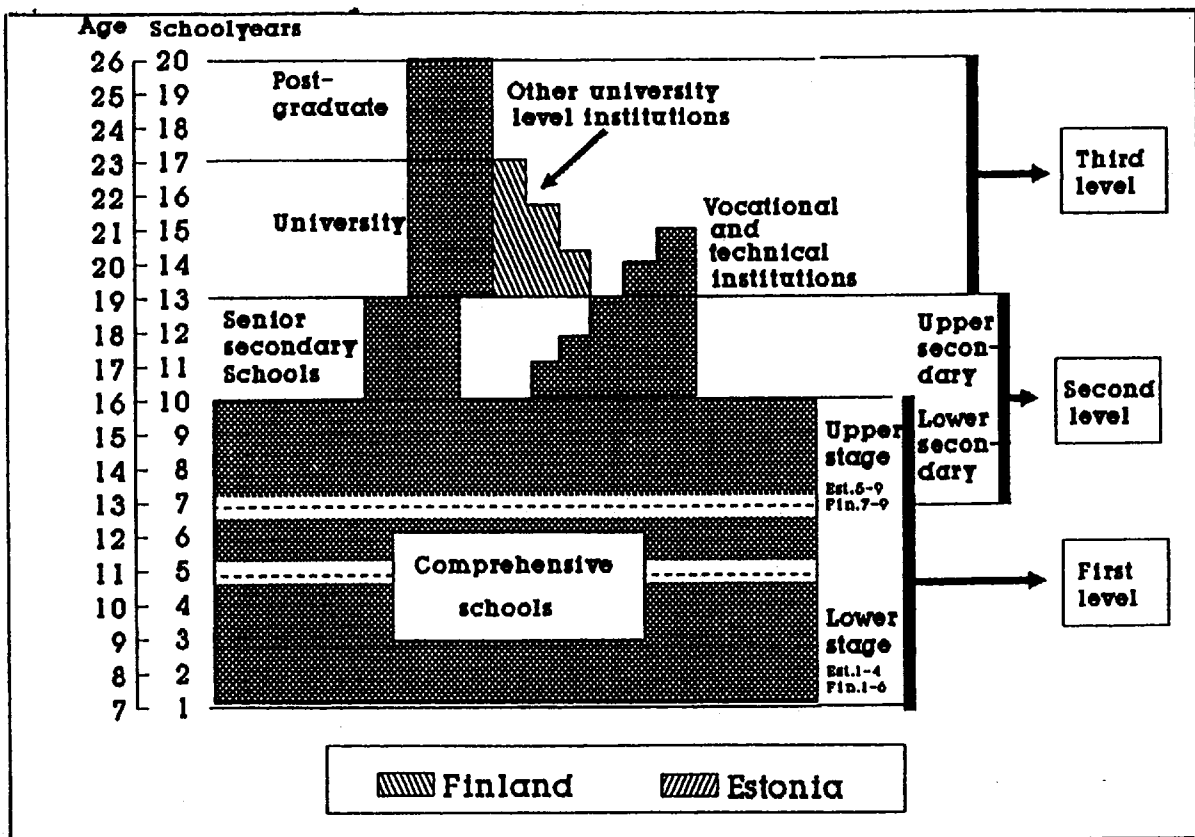
6.4.3. A comparison of educational systems in Finland and Estonia

Both in Finland and Estonia children go to school at the age of seven, and almost all children six years of age are generally guaranteed pre-schooling. Both countries have established compulsory general education consisting of nine grades.

A comparison of the structure of the general education shows that the duration of the general secondary education is the same, the length of basic education is also the same, but in Finland the tenth grade is voluntary (Figure 6). The main difference lies in the elementary school, which lasts four years in Estonia and six years in Finland.

There is also a difference in the higher education systems: in Finland higher education consists of two stages but in Estonia it included onestage. Since the school year of 1991/92 the Estonian higher education system also became two-staged in connection with the establishment of the first vocational upper level schools. After graduating one can continue onto post-graduate courses both in Finland and Estonia.

Figure 6: Simplified diagram of the educational system in Finland and Estonia



In Finland the compulsory general school is free of charge, including all expenditure on study materials, meals and transport. In Estonia the studies in elementary, secondary and higher education have been free of charge so far.

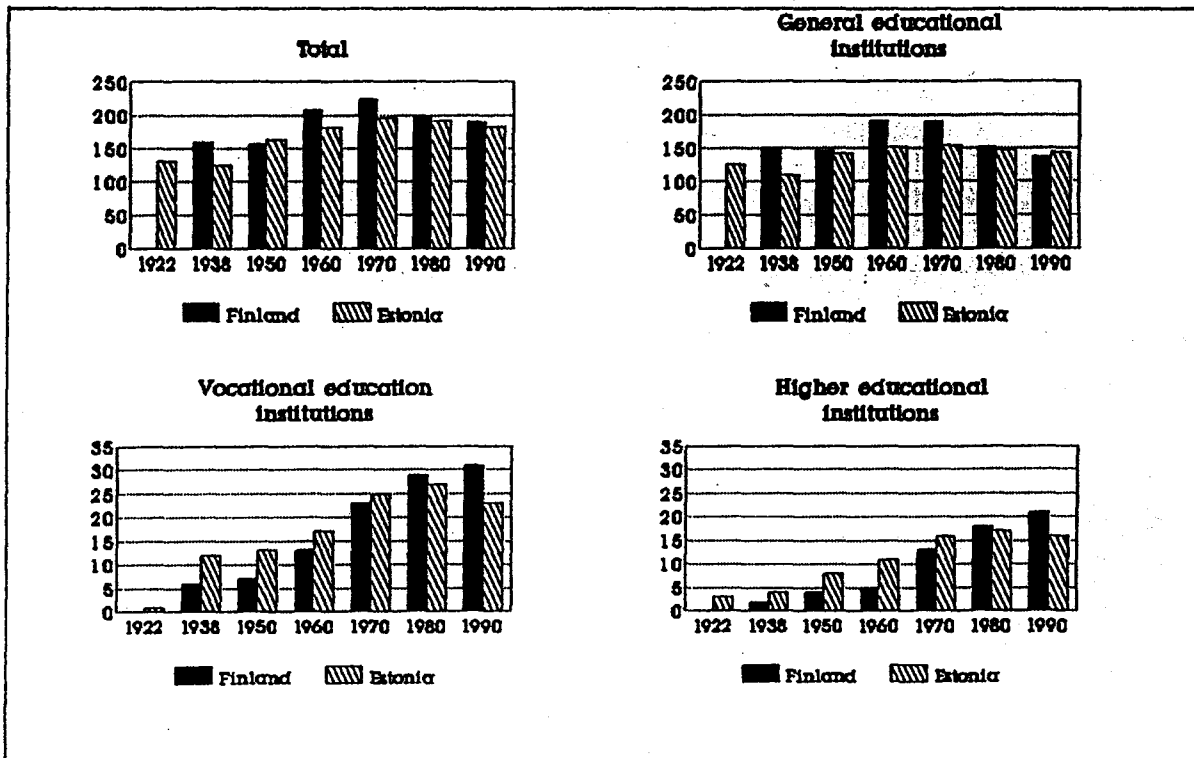
By branches of education Estonia has spent relatively more expenditures on general education (62 %, 45 %). Finland supports more vocational (21 %, 18 %) and adults education (8 %, 3 %).

Extensive changes have taken place in the Estonian educational system. Until the 1980's the educational system has been characterized by extensive concentration. The number of students in different kinds of educational institutions has steadily increased, but the number of educational establishments has decreased (Appendices 6 and 7). The growth of the size of schools has in most cases been accompanied by the concentration of school networks into towns. In Finland both the number of pupils and the number of elementary schools have decreased during the last decade.

Among the general education schools in Estonia elementary schools have suffered most in connection with the start of their liquidation in the 1960's. In 1960-1985 the number of elementary schools diminished by 87 percent.¹⁴ In recent years authorities have admitted the erroneousness of this step and have started to restore and reopen elementary schools.

In Estonia the development of vocational schools during the Soviet period continued in the 1960s (Appendices 5 and 6). The number of pupils and students in vocational schools and higher educational establishments has also increased in connection with the expansion of possibilities of evening and correspondence studies.

Figure 7: Number of pupils/students by type of educational institution, per 1000 inhabitants



¹⁴ Calculated on the base of: Eesti NSV rahvamajandus 1986.aastal. Statistika aastaraamat. Eesti Raamat. Tallinn 1987. p. 315.

Reasons for changes in the amount of pupils in Estonia were the rapid population growth (high birth rate) before World War II and the subsequent decrease after 1945. In Finland the trends in the amount of pupils were largely determined by the postwar baby boom. In the 1980's the number of students in higher and specialized education institutions increased more rapidly in Finland than in Estonia because of the increase in the number of higher educational institutions in 1960-1970.

In Finland vocational technical and professional teaching is organized into 25 basic branches broken down further into over 200 lines of specialization. Vocational education at the upper secondary level usually takes 2-3 years and technical and professional education at the tertiary level 4-6 years.¹⁵

In the Estonian higher educational system and in vocational education institutions there are approximately 100 specialties. In higher educational institutions specialties are divided into 22 groups. A degree can be obtained after five years of study as a rule, in medical faculty after seven years.

There are some differences in the advanced education system between Finland and Estonia. In the present education policy of Finland great attention is being paid to adult education, both general education and vocational education. Vocational adult education started in 1970. Vocational training centers were founded in every town.

Due to the dynamics of the labor market conditioned by the changes in the economy, the foundation of the adult education in Estonia is undergoing wide change. There is a shortage of energy specialists, translators/interpreters, bookkeepers, banking experts, auditors, computer programmers, diplomats etc. in Estonia.

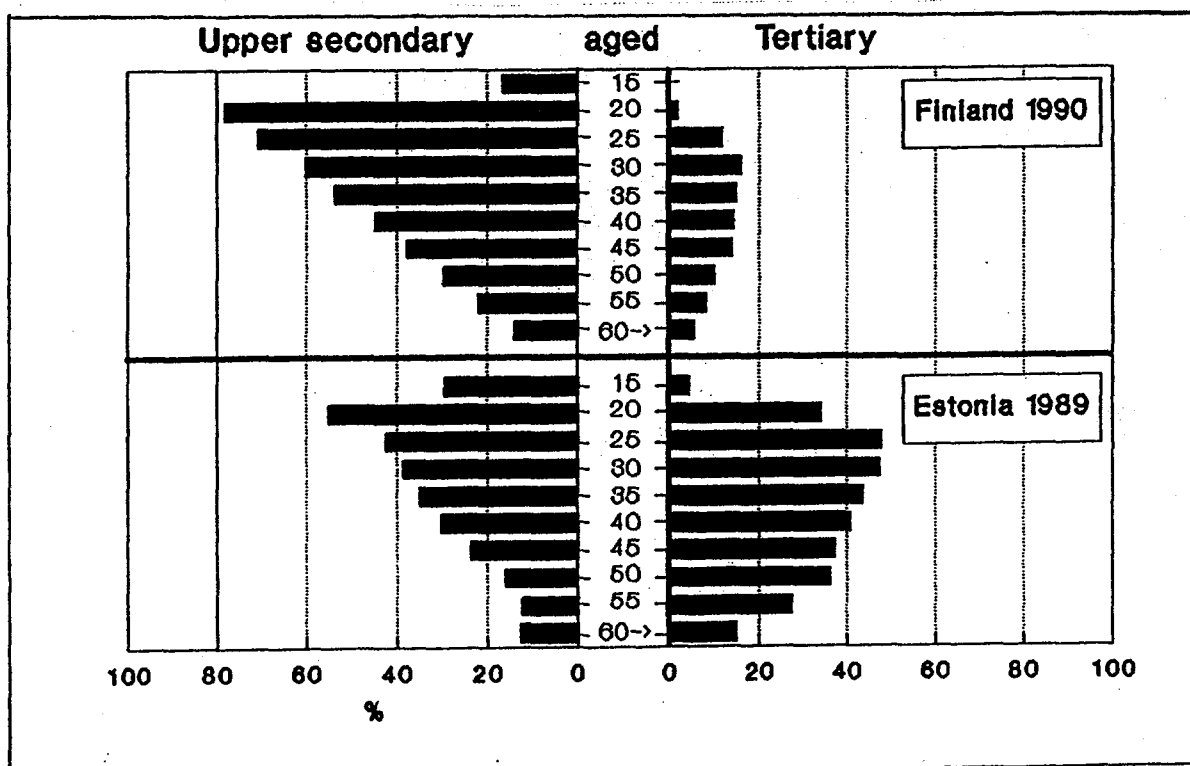
In Estonia, of those who finished elementary school in 1989, 58 % continued their studies in general education schools, 4 % in evening schools and 13 % in vocational schools. Of those who finished secondary school in the same year, 17 % went on to vocational schools

¹⁵ Education in Finland 1991, p. 213.

while 28 % went to higher schools. In Finland it has estimated that over 90 % of pupils completing their general school proceed to the upper secondary level: 49 % went to upper secondary schools, 34 % went to vocational schools while 10 % went to the upper secondary level in some subsequent year. Of those who matriculated in 1989, 17 % continued immediately in universities and more than 20 % in vocational and professional education institutes.

Data of censuses in Estonia testify to the rather rapid increase in the educational level (Figure 8). A half of the population aged 15 over in Finland have at least a general education and half have a specialized education. In Estonia 40 % of the population aged 15 or over have at least a general education and 60 % have a specialized education.

Figure 8: Distribution of population aged 15 years or over by education level



The administration of education is rather centralized in both Finland and Estonia. This is due to the fact that the main part of the educational system in Estonia and Finland is publicly owned. In connection with the implementation of the new education law in Estonia changes are expected in the administration in 1992.

In Estonia the reformation of the education legislation provides the basis for the future development. After this reformation stage there will be created prerequisites for the evaluation of the activity of the whole educational system.

Some conclusions:

Most of the expenditure on education are covered from public funds both in Finland and in Estonia. The duration of general education and, since 1992, also the composition of the compulsory elementary education are similar in the two countries.

Differences occur in:

- the grades and structure of specialized education
- the time of obtaining education within one's life cycle: in Estonia the final education is obtained mostly in one's youth, in Finland there is an opportunity for permanent education during the whole lifetime
- educational distribution of the population.

6.5. CULTURE

For the reason that culture is closely related to all other social processes, and directly concerns every individual, the development of culture becomes an ever more topical and objective necessity.

Cultural activity differs a lot from other branches of public services, since the product to be produced must satisfy the cultural and creative needs of both producers and consumers; in the production process the producer is in direct contact with the consumer, or acts in the name of satisfying the needs of all others; activity in this field may be on a professional, semiprofessional as well as on an unprofessional level, often on one's spare time.

In this section we are going to examine libraries, clubs, museums, theaters and cinemas, i.e. activities, which may be classified under the name "cultural service", since they have been oriented towards the passive consumer and they render the population various services - both free of charge and for charge.

We also observe the publication of books and periodicals, radio and television transmissions, sports and music activities.

6.5.1. The development of culture in Finland

Public cultural services in Finland can be divided to those produced and financed by the public sector and those produced privately but at least in part financed by the public sector. The first group includes for instance libraries, the biggest theaters and museums. Newspapers, radio and television and the press belong to the second group. Cinemas are in Finland private, while the production of Finnish films are state subsidized.

Public libraries are perhaps the most important public cultural service; every municipal has at least one library and its

services are for the most part free for inhabitants. In libraries there are various kind of facilities for amateurs. In addition to book lending, one can borrow recordings, videos, magazines, newspapers. In 1989 there were almost 1200 public libraries in Finland.

The first Finnish theater was established in 1872 and at the turn of twentieth century several theaters were established, for instance Tampereen Työväen Teatteri and the present Helsingin Kaupunginteatteri. ¹⁶In 1989 there were 52 professional theaters in Finland of which 37 were stationary theaters. Nowadays 75 % of expenditure of theaters are covered by communal and state funds.

Nowadays a very important culture service, broadcasting, begun in the 1920's and television activity begun in the 1950's. In 1990 every third Finnish had a color television set. State grants covered only 0.5 % of expenditure in 1990, the main part of revenues was collected by license fees.

The press is private in Finland but the public sector promote it by subsidies for transport. The political party-owned press receives grants according to political distribution of the Finnish government.

Municipalities (and the central government with state subsidies to municipalities) promote various kind of amateur sporting activities by building and maintaining sporthalls and sports fields for athletic clubs and inhabitants.

6.5.2. The development of culture in Estonia

Before World War II cultural work was sponsored mainly by educational and temperance societies: there were 271 of them in 1919 and 1710 in 1930. Cultural activity was conducted, for instance, by the Estonian Educational Society (1923-1940). After the violent coup d'etat in 1940 Estonia was separated from Western culture and the

¹⁶ Teatteritilastot 1989.

movement towards the Soviet culture started.¹⁷ The latter is characterized by the endeavor to even out regional differences. As a result, the state of cultural establishments of Estonia as a region, initially enjoying a relatively higher development level, deteriorated. The material impoverishment of Estonian culture increased especially in 1960-1980. The previous cultural policies, and the low evaluation of the sphere of culture on the state level have contributed to the present backwardness of the facilities. Fixed assets of science, culture, art and other unproductive sectors make up only 4 % of all fixed assets of the national economy in 1990. At that the depreciation of cultural establishments is estimated at 40-60 %.

This was conditioned by the allocation of finances to the priority development regions with the goal of evening out the development of culture. The management of cultural establishments was centralized, cultural activity was concentrated into larger cities, the number of country schools, libraries and village clubs diminished and many traditions of country towns and rural settlements were destroyed. Instead of the diversification of cultural services, the development was towards indeed cheap, but ever more uniform cultural services.

Alongside of the impoverishment and the ideologization of the culture there took place the russification of the culture: the share of publications in Russian grew rapidly.

Within the framework of the unification of national cultures the severest blow fell on the personality and the bearer of the culture. The destruction of a free personality with independent mind runs in parallel with the purposeful destruction of the cultural properties (to the change into social, economic and population structures, etc.). The Soviet culture also affected Estonians, as illustrated by the deterioration of the working morale, morality, initiative and free manner of thought. But thanks to the Estonians'

¹⁷ M.Järve. Eestlane kultuuritarbijana: Soome ja Vene vahel (Manuscript).

passive resistance and immunity towards an alien ideology characteristic they managed to keep their national identity and individuality.

Estonian music has had an interesting evolution, since it remained for a long time an expression of peasant culture only. It is not until the first great all-Estonian festival of choral singing in 1869 that we may talk about national music.

Choral singing has grown into a powerful element of culture. In folk music and various foreign types of music a national choral style has evolved. The song festivals have held their unique position, as a sort of culture of the masses. The work started by the Union of Estonian Singers in 1921 toward raising the quality of choral singing has now become systematic.¹⁸ Estonian song and dance festivals are known world-wide.

In Estonia there are 449 clubs placed under different organizations or enterprises, nearly third-fourth of them located in rural areas. Clubs (circles, societies) practice mainly amateur activities such as singing, playing musical instruments, dancing, literary work, but also sports, handicraft, photography, gardening and collecting. More wide-spread are dramatic circles, dancing and choir singing. Under the guise of clubs all traditions of collective folk-art, first of all choir singing, folk-music and brass-instrument music, were kept safe.

At the present time there are 152 100 persons engaged in some circles or hobby-clubs, 6000 of them are members of folk-art groups (Table 15).

¹⁸ Harry Olt: Estonian music. Tallinn 1980. pp. 21-30.

Table 15. Clubs and other similar institutions
in Estonia (by the end of the year)

	1980	1985	1989	1990
Number of clubs	453	456	466	428
Number of circles	5746	6922	7300	5525
- in folk-art groups	4344	4912	4190	3511
Number of participants (1000)	129	168	190	112
- in folk-art groups	62	71	63	52

Source: Statistika aastaraamat 1991. Tallinn, 1991, p. 168.

Besides the Ministry of Culture trade unions, collective farms, and other institutions and enterprises have clubs of their own as well. Clubs are already nowadays and even more in the future rather problematical institutions. Their number has been decreased already since the 1950s. The condition of the houses of culture in the country is especially bad and there is a continual shortage of personnel. Estonian clubs are maintained by institutions or organizations, but in the new conditions there is no use for many of them any more. Not only do problems concerning personnel, financing and construction need solution but also the future ownership of existing buildings must be decided. This subject needs more thorough examination.

In Estonia the culture has been maintained, figuratively speaking, from remnants. Some 13 % of total expenditure on social sphere have been consumed by culture. The sources of financing are the government budget (40 %), funds of enterprises, institutions and organizations (46 %), trade union budget (5 %) and the budget of Soviet Union (9 %). In the government budgetary expenditure financing of radio and television and libraries are the main items (Table 16). The consumption expenditure of culture was only 1.9 % of GDP.

Table 16. The structure of state budgetary expenditure on culture in Estonia in 1990

	Share of expenditure %
Total	100
Libraries	15
Museums, exhibitions	7
Houses of culture, clubs	7
Other cultural institutions	8
Theaters	11
Radio and television	48
Other	4

6.5.3. A comparison of culture in Estonia and Finland

Culture has been closely related to the socio-economic and ideological processes. The profound difference between these processes in Estonia and Finland during the last half of the century led to the difference in the cultural development of the countries concerned.

Cultural services are all public in Estonia, while in Finland there is a mixture of public and private cultural services. For instance publication of books, some theaters and the press are private but they are at least partly supported by public funds in Finland. Libraries, the biggest theaters, museums, sports halls are publicly financed and produced also in Finland. The difference in the variety of public cultural services can be seen in their share of the expenditure of GDP: in 1990 it was 1.1 % in Finland and 2.3 % in Estonia (Appendix 1).

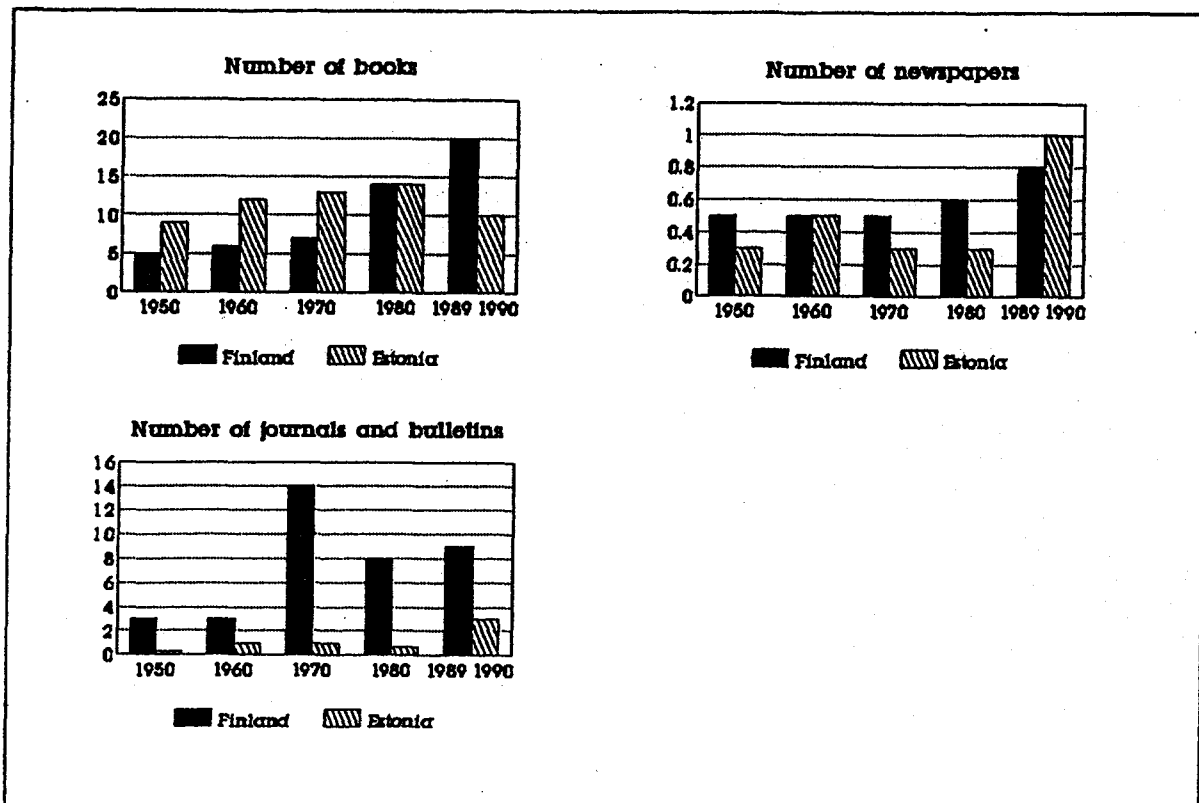
An elementary requirement for a culture to persist and progress is the sufficiency of the printed word. To maintain a national culture publication in the mother tongue is perhaps the most important.

While the number of books published in Estonia is comparable to that of Finland, the number of newspapers and periodicals as well

as the quality of the whole publication activity do not bear comparison. It must be remembered, however, that in 1932-1936 on an average 92 newspapers and 201 periodicals were published in Estonia annually, nearly twice as many as in 1990.¹⁹ The increase in the number of publications is a positive trend, but the prewar level has still remained unattainable. It must also be mentioned that foreign literature is more available in Finland.

The number of books and periodicals published per 1000 inhabitants does not reflect the real situation in the publication activity. The language structure of the publications must also be taken into consideration. Unfortunately, the share of publications in

Figure 9: Publishing of books, journals and newspapers, per 10 000 inhabitants



¹⁹ Eesti Statistika 1938. Riigi Statistika Keskbüroo. Tallinn, 1938, p. 19.

Estonian (in 1936 96 %, 1986 71 %) has decreased on account of the intrusion of Russian literature in connection with the change in the population structure (Figure 9).

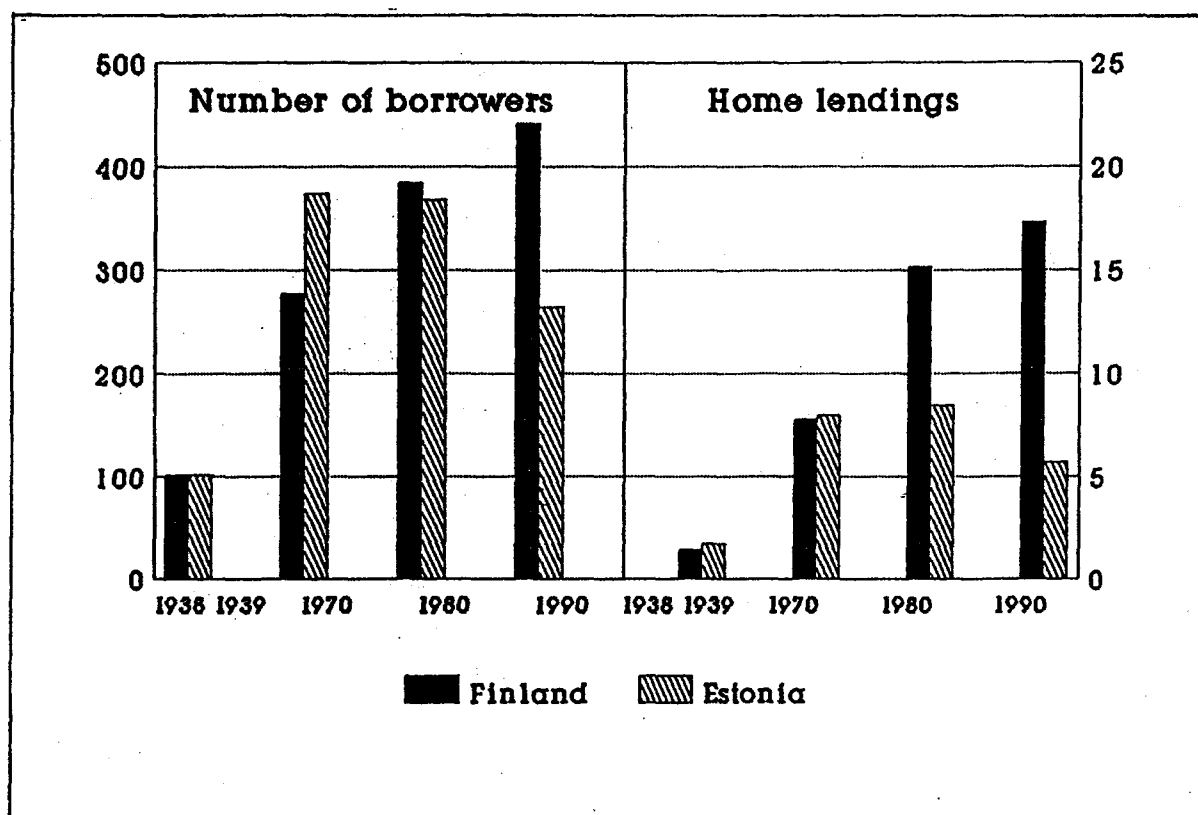
In 1936/37 there were 724 libraries in Estonia. Every tenth Estonian visited libraries as readers.²⁰ The number of libraries has diminished 2.5 times since the 1950s, and the number of readers and borrowers has dropped recently as well (Figure 10). It may be to some extent due to the political situation, but actually should reflect the one-sided activity, bad material situation and the supply of Estonian libraries. As compared with Finland, the Estonians have more libraries per capita and their location density is higher, but they often have only 1-2 small rooms where one can only borrow books to take home to read. In Finland libraries are also places for entertainment and social intercommunication, where one can listen to music, read newspapers or journals, have a cup of coffee, etc.

Public libraries in Estonia consists of those belonging to the Ministry of Culture, trade unions, collective farms and other departments and organizations. They do not include specialized libraries belonging to scientific research institutions, high schools and universities, various establishments and organizations, etc.

But the decrease in borrowing does not signify a decline in reading in Estonia. The decreasing number of libraries and their impoverishment were accompanied by the active buying of books and the growth of home libraries. The book-shelf became an integral part of typical Estonian family's home, while people's life concentrated more and more around the job-home axis.

²⁰ Eesti statistika 1938. Riigi Statistika Keskbüroo. Tallinn, 1938, p. 395-397.

Figure 10: Public libraries, per 1000 inhabitants



In Estonia there were ten professional theaters in 1990 with less than 200 employees. Estonians can be considered theater fans since, as compared with Finns, they visit theaters relatively more (Table 17). The reason was a relatively low ticket price, but also often fewer opportunities to spend leisure time in any other way (limited travelling possibilities, mass sports, etc.)

In between 1980-1990 the number of concerts decreased by a quarter. Visits to concerts per 1000 inhabitants have decreased from 490 in 1980 to 180 in 1990. The most active year in this respect was 1985, when there were 660 visits to concerts per 1000 inhabitants.²¹

²¹ Source: Statistika aastaraamat 1991. Tallinn, 1991, p. 167; Eesti Statistika aastaraamat 1990. Tallinn, 1991, p. 369, 374; Statistika aastaraamat 1991. Tallinn, 1991, p. 169; Statistical Yearbook of Finland 1991. Helsinki, 1991, p. 167, 428.

Table 17. Theaters

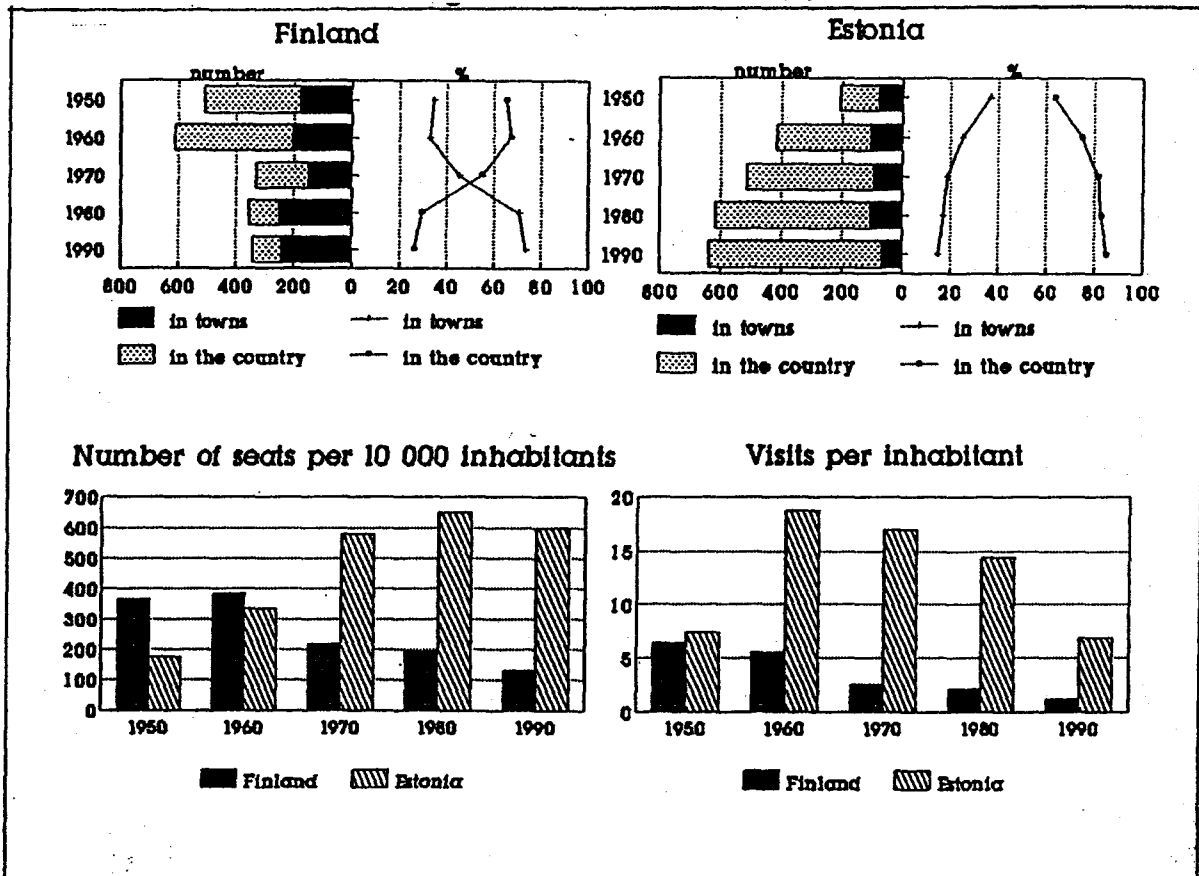
	1970		1980		1989	1990
	Fin-land	Esto-nia	Fin-land	Esto-nia	Fin-land	Esto-nia
Number of theaters	34	9	48	9	51	10
Number of performances	7905	..	10551	..	11198	1990
Number of visits (1000)	1934	1280	2672	1434	2247	1242
Number of museums	0.4	0.9	0.6	1.0	0.5	0.8
Number of concerts		42		61	206	77

In 1989 there were 77 various kinds of museums in Estonia which were visited by two people per capita. The number of both museums and their visitors has considerably increased since 1940.

The number of installations for showing films for charge and the number of seats in cinema-halls have steadily increased in Estonia. As compared with Finland, Estonia has five times more cinema seats per 1000 inhabitants and approximately as many times more visits to the cinema today (Figure 11).

The number of cinemas started to fall in Finland already in the 1950s and at the present time video apparatus and films are dominating in the films market of Finland. By the annual income per cinema and per cinema-visitor one may also conclude that in Finland the tickets cost more and private cinemas are orientated towards profits. A decrease in the visits to stationary cinemas can be forecasted in Estonia as well. Modern radio, video and computing machinery is not, however, as available as in Finland.

Figure 11: Cinemas



Differences occur in the structure of television and radio broadcasting between Finland and Estonia - in Finland the highest share is with cultural program (series, films, science, music - 72 %), while in Estonia the broadcasts are dominated by daily news, sports and broadcasts discussing socio-economic problems (53 %) (Table 18).

Table 18. The structure of radio and television transmissions
(% of total offerings)

	National Radio		Television	
	Oct.1989	1989	1.6.1988- 31.5.1989	1989
	Finland	Estonia	Finland	Estonia
News bulletins	7	18	10	9
Current affairs and factual program	12	19	25	44
Sports program	4	2	11	5
Educational program	3	0.2	3	4
Other program	74	61	50	38

Source: Statistical Yearbook of Finland 1990. Helsinki, 1990, p. 434,437; Statistika aastaraamat 1991. Tallinn, 1991, p. 171.

The most active hobby both in Finland and Estonia has been sports. In 1987 35-38 % of the Finnish population aged 10-64 participated in sports and outdoor recreation²², while the corresponding figure for Estonia in 1988 was 34 % of the total population.²³ In Estonia, due to the centralized administration of sports the greatest emphasis was laid on the training of top-class athletes. The sports movement in a broader sense has remained quite modest. Sports and physical culture in Estonia have been obstructed also by the shortage of sports equipment.

At the level of individuals the general culture of behavior and work has also declined in Estonia. The events of 1941 cut through many national traditions, as many, cultured men in particular, suffered from repression. In the years between which the liberties of choice and action were limited, certain views and attitudes were forced or prescribed through the mass media and individuality was suppressed. The damage from this cannot be counted in money.

²² Statistical Yearbook of Finland 1990. Helsinki, p. 439.

²³ Tervishoid ja sotsiaalkindlustus Eesti NSV-s. Statistiline kogumik. Tallinn, 1989, p. 119.

Conclusions:

Estonian and Finnish culture are characterized by the same tendency towards the increased prominence of mass media in every-day life, and the decrease in visits to the cinema with a certain lag in time (in Estonia about 20 years later).

The differences start with the considerably larger role of state financing in Estonia the whole public cultural services. In Finland there is a mix of public and private culture services.

Differences also prevail in:

- number of publications;
- number of books and lending in libraries;
- choice of theater performances and the number of visits;
- structure of radio and television transmissions;
- opportunities for sports;
- consumption of culture.

6.6. CONCLUSIONS

Finland and Estonia resembled each other a great deal in their socio-economic development between the World Wars in 1922-1938. The subsequent period of fifty years under two different economic systems led to vastly different economic structures and behavioral patterns and opened up a gap between the development of Finnish and Estonian public sectors.

The level of the development of the public sector, especially public services, is usually described by the share of expenditure on public services in the GDP. In 1990 this share was 41 % in Finland and 23 % in Estonia. In Finland the main purpose has been to develop public welfare services, while in Estonia a remarkable share of public funds is used to promote the housing sector. In 1960-90 the share of public service expenditure in GDP grew 15 percentage points in Finland. In the same period the corresponding share in Estonia remained unchanged and has recently even decreased.

The difference in the relative amount of public service expenditure has affected the different structures of public services. In Finland the expenditure on social security, health care and education cover 60 % of public consumption expenditure. In Estonia the share of these welfare service expenditures was approximately the same, but the share of housing and culture was nearly one-fourth of public consumption expenditure in 1990. Public order and safety in Estonia were financed by the Soviet budget. As Estonian social insurance and public services were incorporated into the Soviet System after World War II, they were financed from what was left over from other economic branches. The development of education and culture has been seen as more important than social security and health care in Estonia.

Social security has different aims depending on the socio-

economic situation of a country. Before World War II, in both countries the national social security was established of which, the aim was to ensure normal human living conditions for poor, disabled and elderly persons and to create a childcare system.

After the formation of retirement insurance and other insurance systems in 1950-1960 in both countries, it became possible to ensure a minimum income level for the whole population. In Finland the distributive effect of social security was increased by means of social insurance. In Estonian the establishment of such a system started with the social policy of the transition period at the beginning of the 1990's.

According to the similarity of rough demographic indicators, needs for social security should be rather similar in Finland and in Estonia. However, the social maintenance systems are not similar: the main stress has been laid on different kinds of welfare. In Finland wide systems of transfers and services for children and elderly persons have been developed. Estonia recently started to introduce more large-scale social-insurance programs in connection with the new social policy, but the supply has yet to meet the demand for social services.

By share of social security expenditure in GDP, at the end of the 1980's Estonia reached the level of Finland in 1970. Although the level of social security is lower in Estonia, there is at least one similarity in the structure of social security expenditure: pensions are the biggest part of social security expenditure in both countries.

Estonia has lagged in development of some kinds of social insurance ie. unemployment insurance. Persons often have belonged to another system, ie. insurance against industrial accidents, up till nowadays. In Finland there exist side by side several retirement insurance systems. In Estonia till the adoption of the new pension law in 1991, there existed kolkhoz pension and state pension systems, but at the present time only the state pension insurance is in force.

According to the share of social service expenditure, in Finland there are relatively wider and more diverse social services

than in Estonia. The main difference in the variety of social services is the more developed home care for elderly and disabled people in Finland. Estonia started to introduce out-patient care in the late of 1980's. There are relatively more places in institutions for elderly persons in Finland. The quality of social maintenance is lower in Estonia due to the physical deterioration of institutions, shortage of qualified staff and finances. In 1991 Estonia started to introduce the municipalized social maintenance system as in Finland.

The structure of health care is rather similar in both countries. Public health services are free for users or they are charged a nominal fee. There is relatively as large a hospital system in Estonia as in Finland. In the organization of the ambulatory care there are differences, because the number of physicians is relatively much greater in Estonia. In Finland there exists a system of private health care and its user fees are compensated by public funds. In Estonia private physicians were allowed to take up private practice in 1987. In Estonia the qualified medical care has been concentrated mostly into Tallinn and Tartu. The municipalization of Estonia health care started in 1992 when the new health insurance system came into force.

When comparing the education in Finland and in Estonia it must be remembered that the administration of education has been different. The central administration and planning of Estonian education has led to an overexpanded educational system: the aim was to increase steadily the number of pupils/students without considering the actual needs of society.

The lowest stage of education, comprehensive school, is free in both countries. Also the study in institutions of upper levels has been free in Estonia but not in all institutions in Finland. Due to the free and large education organization, the educational level of Estonians is higher than that of Finns.

The main difference in education system between Finland and Estonia is the more developed adult education in Finland. In Estonia the education has, as a rule, been obtained in one's youth and persons specialize rather narrow professional area. As a result

exist a shortage of specialists when the economy is moving towards a market economy.

The main difference in public cultural services is their quantity. In Estonia all cultural services have been produced and financed by the state. In Finland there is a mixture of public, partly publicly promoted and private cultural services. In both countries the public sector supplies library, theater and museum services. The public sector also promotes sports training and various kinds of hobbies.

In this comparison the prime focus has been upon the main structures and indicators of public services in Finland and in Estonia. The study depicts the extent of resources allocated and the consequent results, ie. the quantity of services provided in various kinds of institutions. Now we have basic information about the expenditure, financing, regarding provision of public welfare services in Estonia and Finland. The next stage could be to research in more detail the reasons for the differences uncovered. It would also be important to have more information about the use of public services and get users' points of view regarding the comparison.

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**PUBLIC EXPENDITURE BY PURPOSE CATEGORIES IN FINLAND AND ESTONIA
IN 1990 (FIM million, million rubles)**

	FINLAND				ESTONIA			
	Consumpt. exp.	Invest- ments	Total	% GDP	Consumpt. exp.	Invest- ments	Total	% GDP
General administration	9887	827	10714	2.0	53.9	-	53.9	0.7
central government	5068	622						
local government	4819	1205						
Public order and safety	5915	653	6568	1.3				
central government	4527	332						
local government	1388	321						
Defence	7508	184	7692	1.5				
Education	27329	3624	30953	5.9	316.2	33	349.2	4.4
central government	6507	1012						
local government	20882	2612						
Health	24626	1865	26491	5.0	178.1	20	198.1	2.5
central government	332	43						
local government	24294	1822						
Social security and welfare services	18479 ¹	1319	19798	3.8	107.6	1	108.6	1.4
central government	186	18						
local government	14923	1229						
social security funds	3370							
Housing and community amenities	3515	473	988	0.8	132.1	125	257.1	3.2
central government	980	224						
local government	2535	249						
Recreation, culture, etc.	3916	1667	5583	1.1	147.1	6	153.1	1.9
central government	228	230						
local government	3688	1437						
Transport and communication	5813	5475	11288	2.2	35.1	13	48.1	0.6
central government	4373	3575						
local government	1440	1900						
Other economic services	3315	363	3678	0.7				
central government	2982	363						
local government	333	0						
Other purpose, central government	339	6	345	0.1				
Total general government expenditure	110642	17420	128062	24.4	970.1	198	1168.1	14.6
central government	33030	6609						
local government	74242	10775						
social security fund	3370							

¹ inc. social security funds

Source: Economic survey 1991. Ministry of Finance. Economics department. Helsinki, 1991; Statistical Office of Estonia.

THE FINNISH ASSISTANCE PROGRAMS²⁴

1. Pension Insurance:

The obligatory pension protection in Finland consists of the National Pension Insurance and employment pension insurance plus supplementary pension protection under employment pension programs. The national pension is intended to provide all residents of Finland with a minimal level of basic security. An employment pension is aimed at helping pension recipients maintain the level of spending they have achieved.

National Pension Insurance:

All residents of Finland are entitled to National Pension Insurance benefits, including old age, invalidity, unemployment and survivors' pensions. Persons are entitled to the national pension as follows: 1) old-age pension to over 65, 2) invalidity pension to 16-64 year old persons suffering from an illness, injury or defect that makes them unable to earn an adequate living and 3) unemployment pension to elderly long-term unemployed.

The national pension consists of a basic flat amount and an increment that is dependent on the amount of the employment pension. A Child increase, spouse increase, veterans' supplement, pension care allowance and housing allowance can be received in addition to the national pension.

The national survivors' pension is payable to orphans and widows. Veterans of the 1939-45 wars aged 55-64 are entitled to a veterans' pension. Child care allowance is paid towards the care and rehabilitation of a disabled and chronically ill child. The benefits under National Pension Insurance are pegged to the consumer price index. The National pension basic amount and increment are taxable income. The National Pension Insurance is operated by the Social Insurance Institution.

Employment pension programs:

Employment pension insurance is divided into separate insurance programs for the private and public sectors. The programs consists of old age, invalidity, unemployment and survivors' pensions. In employment pension insurance the age limit for the old age pension is 65. A pension accrues at the rate of 1.5 % a year. The full pension, 60 % of the recipient's pay prior to the beginning of pension payment, is earned in 40 years. For employees in the public sector, the full pension amounts to 66 % of pay prior to the beginning of pension payment and is earned in 30 years. The pension age for the public sector employees is 63.

Employment pension insurance is based on partial funding by the employers. The administration of employment pension insurance is divided between private insurance companies, pension funds and foundations. The public sector pensions are financed by central government and local government tax income.

The payments of employment pensions is determined by the number of working years and the amount of earned income prior to the beginning of pension payments. All the periods of employment and all earned income are taken into account. In the case of an invalidity pension in addition to the earned income, the time before attaining the age limit for an old age pension is relevant for the calculation of the pension. The employment pensions are pegged to the TEL index, which is an average of wage and price indices, and are taxable income.

²⁴J.Pajula, E.Kalimo: Social Security in Finland. Helsinki 1989. pp. 15-20.

Flexible pension age provisions:

The flexible pension age provisions are intended to complement the primary system of fixed pension age making it possible to better take into consideration individual circumstances for pension claims and phased retirement. A special invalidity pension is payable to persons over 55 whose working capacity has permanently diminished. Early old age pension is payable at a reduced rate to insured persons over 60. At 65, insured persons can defer the beginning of old age pension payment and receive a larger pension later. Both of the pensions are included in both the national and employment pension programs. A part-time pension is a component of the employment pension system only. The part-time pension is payable to 64 year-old wage and salary earners who are working reduced hours.

2. National Sickness Insurance

All residents of Finland are covered by national sickness insurance. Besides provisions for sickness allowances and compensation for loss of income, it includes a cover for health expenses. The latter one is considered in the section of health care.

Sickness allowance is payable to insured persons aged 16-64 who, because of illness, cannot carry on their usual work. The sickness allowance consists of a general flat-rate component and an earnings-related component. The minimum allowance has been 59.75 FIM a day from the beginning of 1991. For persons with average income, the allowance is paid at a rate equivalent to 80 % of their earned income. Sickness allowance recipients supporting a family are eligible for a child increase payable in respect of children under 16. After a waiting period of seven weekdays, the allowance is paid for a maximum of 300 weekdays. It takes precedence over invalidity pension, which is paid only after the recipients is no longer entitled to the sickness allowance.

Mothers who have lived in Finland for at least 180 days are entitled to a maternity allowance (payable as either a maternity, Father's or parent's allowance) paid on the basis of pregnancy, confinement or care of an adopted child. The amount of maternity, father's and parent's allowance is determined in the same way as sickness allowance. All the above allowances are taxable income. National sickness insurance is financed chiefly by insurance contributions by the insured and the employers.

3. Family and child benefits

All mothers are entitled to a maternity benefit award in some form of either a cash benefit or a maternity package containing child care necessities. A child benefit is payable to all mothers up to the 17th birthday of their children. In order to guarantee the income security of children born out of wedlock or whose parents have divorced, the local authorities disburse income support benefits subsidized by the state.

Starting in 1990, the parents of children under three will have a choice between local-authority day care and the child home care allowance.

4. Unemployment protection

Unemployment protection consists of unemployment allowance, unemployment pension and redundancy payment. The unemployment allowance is payable either in the form of a basic allowance, guaranteeing a minimum level of income or an earnings-related allowance, which is intended to help recipients maintain their achieved level of spending. The earnings-related allowance can be awarded to members of unemployment funds. All others are covered by the national basic unemployment allowances scheme.

The long-term unemployed over age 60 have been eligible for an

unemployment pension since 1991. Employees over 40 who have worked for one employer for a lengthy period and have been made redundant because of financial reasons or reasons related to production are eligible for the redundancy payment. The Employment Act requires that the young and the long-term unemployed be provided with employment.

THE ESTONIAN ASSISTANCE PROGRAMS

1. Pension Insurance

A new state pension insurance system went into force in Estonia in 1991. In addition to this employers' pension insurance and voluntary pension insurance may be established in the future.

According to the new pension law (May 1991) people permanently living in the Republic of Estonia enjoy the right to a state pension. There are five state pensions:

- old-age pension
- disability pension
- survivor's pension
- maintenance pension²⁵
- retirement pension

Any person may get only one kind of state pension at a time. Those who have a theoretical right to several state pensions (disability, old-age pensions, etc.) must select one of them. At the same time, however, he or she has a right to get other pensions besides the state pension (employer's pension, pension by way of voluntary insurance).

The new pension law did not change the age limit for the old-age pension, the pattern of calculation of the pensionable length of service, however, changed. Old-age pension is awarded to males at least 60 years of age who have 25 years of pensionable service, and females 55 years of age who have at least 20 years of service. The pensionable length of service includes any activity as an employee and any period of employment as well as the time of studies. Old-age pension may be, however, received on more favorable conditions - males 60 years of age or females 55 years of age in the case of partial length of service (at least five years).

Up till now the pension was only conditioned by the length of service and the average labor income of the applicant, subject to a fixed maximum pension. The new law connects the calculation of pensions and maximum pensions with the minimum wage (which is conditional on the cost of living), and only a part of the pension is conditional on the previous average income of the applicant. A non-working pensioner is given supplementary pension for every incapacitated member of a family.

The maximum pension conditional on income is 65 % of the average monthly wage. A minimum disability pension in the case of minor disability or survivor's pension for a child who has lost one parent is 45 % of the minimum wage. The minimum maintenance pension and survivor's pension for an adult 70 % of the minimum wage, while the minimum old-age and disability pension in the case of more serious disability is 85 % of the minimum wage. The survivor's pension for an orphan is the highest: 130 % of the minimum wage.

When the minimum wage is increased, the pensions are immediately recalculated. Due to the inflation and fast rise in the cost of living in 1991-

²⁵shall be awarded to those who have no right to other pensions (insufficient length of service)

1992, pensions were temporarily replaced by so-called living allowances which increase in accordance with the increase of the minimum wage.

2. Family and Child Benefits, Unemployment Protection

Child benefits in Estonia include the following: birth grants, benefits to single mothers and mothers with numerous children, benefits for children under 1.5 years old, benefits for children 1.5-6 years of age who are not going to kindergartens, benefits for the children of servicemen, benefits to families with low incomes, to children who are wards of the state and compensation for additional leave for a parent of a disabled child. Some of these schemes already have been in existence for years, but several new benefits and privileges for raising children have been established in recent years. The new law on child benefits (February 1992) established the following state benefits and privileges which are connected with the minimum wage:

- 1) birth grant - within the limit of three minimum wage
- 2) child benefits to children up to 1.5 years old and pupils of general education schools - within the limit of 1/3 of the minimum wage
- 3) living allowance to mothers on child-care leave - until the child is 1.5 years old within 0.5 times the minimum wage and henceforth until the child is three years old within 0.3 of the minimum wage per child, including disabled children 3-16 years old
- 4) benefits to the child of a serviceman - until the child is of age within the limit of 0.2 times the minimum wage a month
- 5) benefits to single mothers - within the limit of 0.2 times the minimum wage a month
- 6) benefits to children's home's ward to start in life - within the limit of ten times the minimum wage paid on one occasion only
- 7) compensation for one additional day off in a month to a parent of disabled child.

Family benefits are various types of compensation for the rise in the cost of living, e.g. additional benefits for the compensation for the rise of the prices of foodstuffs and manufactured goods (applied from the end of 1990 up to the beginning of 1992). From 1992 the rises in housing rent and public utility rates (heating, gas, hot water, electric energy, etc.) are compensated for the families with low incomes (these expenses exceed 50 % of the per capita income of the household).

Social allowances to university and vocational school students can be regarded also as family benefits.

The government established an unemployment insurance scheme as of April 1991. The amount of unemployment benefits is 80 % of minimum wage, paid for six months a year. A fixed minimum income has been set for employees too. It is the minimum level of income in case of an incomplete working day, amounting to a little less than one half of the minimum wage.

Pensions, subsidies, unemployment benefits, study allowances and compensation for the rise in the cost of living (additional subsidies offsetting the rise in prices of food, fuel, gas and hot water, etc.) are financed from the Social Fund. The Social Fund is financed from the social taxes (20 % of the payroll) of employers and from the state budget grants.

Pensions, subsidies and allowances are adjusted (raised) according to the dynamics of the minimum wage and of the cost of living.

3. Sickness Insurance

The Medical Treatment Insurance Act was passed in Estonia in June 1991. It re-established the principles of medical treatment which had been in force in Estonia up to 1940. The Act came into force in 1992.

Medical treatment insurance is a system guaranteed by the state, which

covers costs of maintaining and restoring the health of the population. Medical treatment insurance consists of obligatory and voluntary insurance. State budget expenditures are made now only on capital investments in public health. Expenditures of hospitals are covered from payments of obligatory medical treatment insurance paid by employers (13 % of the payroll). Those who have neither obligatory nor voluntary health insurance pay for medical treatment themselves and get no compensation.

Medical treatment insurance is applied through local governments. They enjoy the right to determine the amount of the charge for a visit to a doctor, the terms of payment and any resulting compensation. The medical treatment insurance works through the municipal sickness insurance fund (and its council). The health care system controls and regulates the financial relations of sickness insurance funds and hospitals.

The compensation is paid on the basis of a medical certificate. The amount of compensation depends on the income of the person during the four previous months (from May 1, 1992 during two months) and the method of treatment (in the case of out-patient treatment 80 %, in-patient treatment 60 %, in the case of pregnancy, childbirth and taking care of a sick person 100 % of the average income). A doctor can relieve a person from work for 120 days a year. A person can be absent from work without a medical certificate for five days a year (two of which are compensated for).

SOCIAL SECURITY INDICATORS

1. CURRENT TRANSFERS	Expenditures				Number of pension beneficiaries, 1000			
	Finland bill.mk		Estonia mill.rubles		Finland		Estonia	
	1980	1990	1980	1990	1980	1990	1980	1990
Total	28.5	87.3	346.3	718.5				
Old-age and disability benefits	18.8	55.0	280.2	569.0				
Pensions ¹	18.8	31.8	256.7	482.1	1011.2	1161.0	304	352
Old-age					610.1	737.2	237	293
Disabled					274.8	300.9	43	39
Other					132.5	173.9	24	20
Family and children benefits	3.3	11.2	11.7	80.5				
Sickness insurance	4.3	14.6	54.4	69.0				
Unemployment	0.8	3.2	-	-				
Other	1.3	3.3	-	-				
<hr/>								
2. SOCIAL SERVICES	Expenditures				Number of places			
	Finland bill.mk.		Estonia mill.rubles		Finland		Estonia	
	1980	1990	1980	1990	1980	1990	1980	1990
Total	5.3	20.4	35.4	56.6	171390	255750	89540	89960
Old-aged and disabled	1.0	7.1	6.6	22.0				
In-patient			6.6	11.5				
Out-patient			-	0.5				
Other				10.0				
Old-aged welfare	0.2	5.3			33380	35350	2610	2570
In-patient					30370	30000	2610	2230
Out-patient					3010	5350	-	340
Disabled welfare	0.8	1.8			6370	6520	3430	3690
In-patient					5790	4690	3430	3690
Out-patient					580	1830	-	-
Family and children	2.4	8.2	28.8	34.6				
Day care	1.4	6.6	26.7	30.1	131640	213880	83500	83700
Welfare	1.0	1.6	2.1	4.5				
Unemployment	1.9	3.9						
Other		1.2						

¹ including survivor's and war pensions

Sources: Social Security in 1990. Publication 1992:5. Ministry of Social Affairs and Health. Helsinki, 1992. pp. 80-82 ; Statistical Yearbook of Finland 1982, pp. 330-332. Helsinki, 1982 ; Statistical Office of Estonia; Ministry of Social Maintenance of Estonia; Statistika aastaraamat 1991. Tallinn, 1991, p. 68, 159.

NUMBER OF PHYSICIANS, VISITS AND HOSPITAL BEDS

Year	Number of physicians ¹ per 1000 inhabitants		Number of visits per inhabitant	
	Finland	Estonia	Finland	Estonia
1922	0.3 ²	0.4	...	...
1938	0.6 ³	0.8	...	...
1950	0.8	1.4	...	...
1960	1.0	2.4	1.6 ⁴	...
1970	1.6	3.4	2.4	8.4
1980	2.7	4.2	3.2	10.6
1990	2.7	4.6	4.2 ⁵	11.2

¹ Number of physicians and dentists; ² 1920; ³ 1940; ⁴ 1964; ⁵ 1989

Sources: Eesti 1920-1930. Arvuline ülevaade. Tallinn, 1931. p.363; Eesti arvudes. Tallinn, 1937, p. 292; Eesti NSV rahvamajandus 1987 aastal. Statistika aastaraamat. Tallinn, 1988. p. 345; Eesti NSV rahvamajandus 1988 aastal Statistika aastaraamat. Tallinn, 1989. pp. 334, 342; Statistical Yearbook of Finland 1990. Helsinki, 1991. p. 396.

NUMBER OF HOSPITAL BEDS PER 1000 INHABITANTS

Year	Finland	Estonia
1930	2.9	2.3
1937	3.7	2.6
1945	7.8	6.7
1950	7.4	6.7
1960	9.1	9.4
1970	11.3	11.2
1980	12.3	12.5
1990	12.3	12.3

Sources: Eesti 1920-1930. Arvuline ülevaade. Tallinn, 1931, p. 366; Eesti arvudes. Tallinn, 1937, p. 292; Eesti NSV rahvamajandus 1987 aastal. Statistika aastaraamat Tallinn, 1988, p. 345; Eesti NSV rahvamajandus 1988 aastal. Statistika aastaraamat. Tallinn, 1989, p. 334. Statistical Yearbook of Finland 1991. Helsinki, 1992. p. 396.

NUMBER OF EDUCATIONAL INSTITUTIONS IN FINLAND AND ESTONIA

Year	Finland				
	Total	General education institutions	Vocational education institutions	Higher education institutions	Other institutions
1922	..	..	..	..	..
1938	..	..	393	9	1
1950	..	..	469	16	3
1960	8027	7471	542	12	2
1970	6110	5320	770	16	4
1980	5974	5393	531	20	30
1989	5900	5334	546	20	20

Year	Estonia			
	Total	General education institutions	Vocational education institutions	Higher education institutions
1922	1554	1521	31	2
1938	1565	1382	177	6
1950	1318	1243	68	7
1960	1275	1211	58	6
1970	877	805	66	6
1980	666	587	73	6
1989	718	634	78	6

Sources: Eesti 1920-1930 Arvuline ülevaade. Tallinn, 1931, pp. 336-348 ; Eesti statistika 1938. Tallinn, 1938, pp. 617-642; Eesti NSV rahvamajandus 1968. aastal: Statistiline aastaraamat. Tallinn, 1969. pp. 209-223; Eesti NSV rahvamajandus 1988 aastal: Eesti statistika aastaraamat 1990. Tallinn, 1991, pp. 348-357; Education in Finland 1991. Helsinki, 1991. p. 216.

**NUMBER OF PUPILS/STUDENTS BY TYPE OF EDUCATIONAL
INSTITUTION IN FINLAND AND ESTONIA, thousands**

Year	Finland							
	Total		General education institutions		Vocational education institutions		Higher education institutions	
	Num-ber	Per 1000 inhab.	Num-ber	Per 1000 inhab.	Num-ber	Per 1000 inhab.	Num-ber	Per 1000 inhab.
1920	..	..	..	..	..	..	..	..
1930	580.8	159	549.6	150	22.2	6	8.9	2
1950	628.6	157	584.9	146	27.8	7	15.1	4
1960	925.2	208	845.8	190	55.9	13	23.6	5
1970	969.1	211	805.3	175	105.1	23	58.7	13
1980	939.3	196	714.3	149	140.8	29	84.2	18
1989	974.9	195	697.3	140	164.6	33	113.0	23

Year	Estonia							
	Total		General education institutions		Vocational education institutions		Higher education institutions	
	Num-ber	Per 1000 inhab.	Num-ber	Per 1000 inhab.	Num-ber	Per 1000 inhab.	Num-ber	Per 1000 inhab.
1922	143.8	131	139.2	126	1.2	1	3.4	3
1938	141.3	125	123.6	109	13.0	12	4.7	4
1950	179.0	163	156.5	142	13.7	13	8.8	8
1960	219.1	181	184.7	152	20.9	17	13.5	11
1970	265.3	196	211.4	154	33.9	25	22.1	16
1980	282.2	192	217.6	147	40.6	27	25.5	17
1989	294.7	187	227.5	145	40.9	26	26.3	17
1990	287.7	1821	225.4	143	36.4	23	25.9	16

Sources: Eesti 1920-1930 Arvuline ülevaade. Tallinn, 1931, pp. 336-348; Eesti statistika 1938. Tallinn, 1938, p. 617-642; Eesti NSV rahvamajandus 1971 aastal. Statistiline aastaraamat. Tallinn, 1972. p. 303; Statistika aastaraamat 1991. Eesti Vabariigi Riiklik Statistikaamet. Tallinn, 1991, p. 154; Finland: years 1922-50 Central Statistical Office of Finland, years 1960-90 Government Institute for Economic Research; Koulutusmenojen kehityspiirteitä vuoteen 2030. Helsinki, 1992. p. 77

DISTRIBUTION OF POPULATION AGED 15 YEARS OR OVER BY EDUCATIONAL LEVEL

	Number of inhabitants		%	
	Tertiary	Upper secondary	Tertiary	Upper secondary
Finland 1990				
15-20	3	49445	0.0	16.4
20-25	7205	276604	2.0	78.3
25-30	44186	267730	11.7	70.8
30-35	61938	232697	16.0	60.1
35-40	61093	219857	14.9	53.6
40-45	62418	195633	14.3	44.8
45-50	41282	112272	13.9	37.7
50-55	28198	82398	10.1	29.6
55-60	21016	55971	8.2	21.9
60->	48518	127685	5.3	14.0
Total	375857	1620292	9.4	40.4
Estonia 1989				
15-20	4893	32855	4.4	29.4
20-25	35447	57301	34.1	55.1
25-30	57442	50662	48.1	42.4
30-35	57546	46682	47.5	38.6
35-40	49975	39911	43.7	34.9
40-45	38379	28283	40.9	30.2
45-50	36093	22766	37.3	23.5
50-55	35723	15682	36.2	15.9
55-60	25853	11396	27.6	12.2
60->	39027	33145	14.8	12.6
Total	380378	338683	31.3	27.8

Sources: Central Statistical Office of Finland. Eesti Vabariigi maakondade, linnade ja alevite rahvastik. Rahvaarv rahvuse, perekonnaseisu, hariduse ja elatusallikate järgi 1989.a. rahvaloenduse andmed. Tallinn, 1990.; Eesti Statistika aastaraamat 1990. Tallinn: Olion, 1991, p. 37.

PUBLICATION OF BOOKS, JOURNALS AND NEWSPAPERS

	1938		1936		1950		1960		1970		1980		1989		1990	
	Fin-land	Esto-nia	Fin-land	Esto-nia	Fin-land	Esto-nia	Fin-land	Esto-nia	Fin-land	Esto-nia	Fin-land	Esto-nia	Fin-land	Esto-nia	Fin-land	Esto-nia
Number of published units/year	1555	1708	1891	942	2493	1477	3351	1803	6511	2120	10097	1628				
Number of books /1000 inhab.	0.4	1.5	0.5	0.9	0.6	1.2	0.7	1.3	1.4	1.4	2.0	1.0				
Number of newspaper	188	49	203	34	207	55	240	43	298	43	385	165				
Number of journals and bulletins	857	217	1202	28	1540	115	1903	149	3606	105	4520	434				

Sources: Eesti Statistika 1938. Riigi Statistika keskbüroo. Tallinn, 1938, pp. 17-23; Eesti NSV rahvamajandus 1971 aastal. Statistiline aastaraamat, Tallinn, 1972, p. 341; Statistika aastaraamat 1991. Tallinn, 1991, p. 170; Statistical Yearbook of Finland 1982. Helsinki, 1983, pp. 375-377; Statistical Yearbook of Finland 1991. Helsinki, 1991, pp. 432-434.

PUBLIC LIBRARIES

	1938		1939		1970		1980		1990	
	Fin-land	Esto-nia	Fin-land	Esto-nia	Fin-land	Esto-nia	Fin-land	Esto-nia	Fin-land	Esto-nia
Number of borrowers (1000)	37	115	1282	507	1842	543	2191	417		
Number of borrowers / 1000 inhabitants	102	101	278	374	385	368	441	265		
Volumes lent (millions)	5.0	1.9	35.7	10.9	72.5	12.4	86.0	8.9		
Home lending / 1000 inhabitants	1.4	1.7	7.8	8.0	15.2	8.5	17.3	5.7		

Sources: Eesti NSV rahvamajandus 1988 aastal. Statistika aastaraamat Tallinn. "Olion", 1989, pp.323-324; Statistika aastaraamat 1991. Tallinn, 1991, p. 166; Statistical Yearbook of Finland 1981. Helsinki, 1982, p. 370. Statistical Yearbook of Finland 1991. Helsinki, 1991, p. 431.

CINEMAS

	1950		1960		1970		1980		1990	
	Fin-land	Esto-nia	Fin-land	Esto-nia	Fin-land	Esto-nia	Fin-land	Esto-nia	Fin-land	Esto-nia
Number of cinemas	507	207	610	417	330	514	352	619	340	641
in towns (%)	35	37	33	25	45	19	71	17	71	15
Number of seats /1000 inhabitants	36	18	39	34	22	58	19	65	13	60
Visits /inhab.	6.4	7.4	5.5	18.7	2.5	17.0	2.1	14.4	1.2	6.9

The term "cinema" includes both stationary cinemas and halls used for showing films. Number of seats concerns stationary cinemas and public halls having stationary equipment for showing films.

Sources: Eesti NSV rahvamajandus 1971 aastal. Statistiline aastaraamat. Tallinn, "Eesti Raamat", 1972, p. 337; Eesti NSV rahvamajandus 1988 aastal: Statistika aastaraamat. Tallinn, "Olion", 1989, p. 329; Statistika aastaraamat 1991. Tallinn, 1991, p. 169; Statistical Yearbook of Finland 1991. Helsinki, 1991, p. 426.