POPULATION-RELATED POLICIES IN ESTONIA IN THE 20th CENTURY: STAGES AND TURNING POINTS

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The paper is about the experience of population-related policies in Estonia. During the recent decade considerable amount of materials have been published on this theme which usually include analysis of currently enforced regulations. Repeated amendments of legal norms and procedures, which are inevitable in the period of fundamental reforms, however, tend to limit their value quite rapidly. Against such background, the paper applies a longer perspective with an attempt to cover the main stages and turning points in the development of population-related policies in the country since the establishment of statehood in 1918. The paper has been prepared in the framework of research theme 0132703s05 and supported by the Estonian Science Foundation, grant No.5982.

1. INTRODUCTION

In the interwar period, the efforts to build up a modern nation included setting up relevant institutions and regulations in the field of population-related policies. These undertakings have been seldom discussed in the recent publications. Somewhat similarly, the postwar decades are frequently regarded as fairly distant and of little relevance to present challenges. To understand the developments, however, the longer view should not be neglected. Today's concerns are rooted in the arrangements and misarrangements of the past, and no less importantly, such continuity is strengthened by the nature of population development and the flow of cohorts which absorb the influences of societal environment and carry them along through lifetime.

The paper is structured in four sections focusing on the development of marriage and the family, children and fertility, pension system and social care, and health care system. In each section, the aim is to outline successive policy regimes and their main characteristics in terms of objectives and methods of regulations. Understandably, limited space does not allow to cover minor changes and technicalities, for more specific information the paper provides further reference to various source materials.

2. MARRIAGE AND FAMILY

In this section, the eight and half decades of the Republic of Estonia have been divided into four major stages, defined by the interplay of societal context and regulations, and transformations in population development. The following sub-sections outline the timeframe and characteristic features of those stages.

2.1. Institution of civil marriage

The first period with respect to marriage and family covers the two decades until the 1940. The demographic, economic and social development in Estonia had followed the general tide of modernisation since middle of the XIX century. The First World War enabled the Estonia, together with Finland, Latvia, Lithuania and Poland at the Baltic sea to gain independence which, among others, implied the final departure from a societal structure based on standings [Laaman 1964]. As elsewhere in Northern and Western Europe, this development included the institution of civil marriage, which occurred in two steps in Estonia. In 1920 registration offices were opened at city governments in Tallinn, Tartu, Narva and Valga, to provide an alternative for persons, who, for one reason or another, did not opt for ecclestial marriage.

The reform was completed in 1926 when the new Family Law transferred the legal recognition of marriage from church to the state. Starting from July 1, 1926, the rights of an individual generated through marital and family relations became wholly dependent on civil registration [RT 1925, 191/192]. More importantly, the regulations and procedures which had differed across standings and confessions became identical for all citizens of the country. At the same time, the continuity with the law for the

Baltic provinces was maintained. From the modern viewpoint, the 1926 Family Law expressed several traditional views, which were characteristic to Western European legislation of that period. Among others, the norms stipulated the superiority of husband in some aspects, marriage was regarded a life-long commitment and divorce was based largely on the culpability of spouses, systematic distinction was made between the position of children born in or outside of wedlock etc.

An important innovation brought by the 1926 Family Law was the introduction of modern civil registration in Estonia. The reform called into being Civil Registration Office (*Perekonnaseisuamet*) and standardised the procedures, including the system of recording, forms, language, liaison with statistical office etc, the responsibilities of local registrar were placed on municipalities [Teder 1939]. From the onset, a strong emphasis was put on the quality and accuracy, and the civil registration office relatively broad range of responsibilities in the contemporary context. Among others, a population register was introduced which kept cumulative individualised account of events pertaining to each member of the resident population. The coverage of entire population with register records was aimed to be achieved by 1939-1940. The office played a central role in arranging personal names, including the Estonianisation of family names, in the course of which almost one fifth of the population choose a new surname [Must 2000].

In a broader framework, a major contribution to the welfare of population and families was made by societal reforms undertaken in the early years of Estonian Republic. Among those, the land reform promulgated by the Estonian Parliament in October 1919 holds the key importance. In the course of reform, manorial estate lands were expropriated and distributed among farm operators [Kahk and Tarvel 1997]. By comparing the outcome of Estonian land reform with the similar undertakings carried out in other regions of eastern and central Europe and Balkans, the share of medium size and large farms appeared more than twice higher in Estonia. Combined with well-established tradition of agricultural co-operation, the reform consolidated the economic foundation of families among broad strata of the population.

2.2. Family implications of societal discontinuity

The Molotov-Ribbentrop Pact divided Central and Eastern Europe, and as a result, Estonia was annexed to the Soviet Union in June 1940. In 1941-1944, Estonia befell under German occupation, and in 1944 the second Soviet occupation began. The new regime introduced a systematic rearrangement of entire societal organisation which were particularly forceful and violent until the mid-1950s. This period of societal discontinuity merits separate attention for its distinct implications on families.

Following the annexation, the Soviet law was brought into force. Upon population statistics of the 1940s and 1950s, the enforcement of Soviet family regulations had little, if any direct bearing on the patterns of family formation and dissolution. This conclusion does not mean, however, that families in Estonia were left untouched. On the contrary, the influence of societal discontinuity on the population can be regarded very extensive although the gaps in statistics does not allow for easy quantification.

During the recent decade the piece by piece[1] assembling of missing information has been in progress but no comprehensive generalisation is not yet reached.

The impact of societal discontinuity on families can be estimated retrospectively from the event history surveys. Most importantly, a sharp and anomalous drop in the share of population who were brought up in the intact two-parent family is revealed by the Estonian FFS reveals. Among native population, the percentage fell from the level close to 90 per cent in the birth cohorts of the 1920s below 70 percent among those born in 1939-1943. Apart from most European countries, the downsurge was not followed by a rapid recovery at the end of WWII but it took until the late 1950s for the family structure to recover. The analysis attributes the disruption of parental home directly to situations where either the respondents mother or father was killed, sentenced to long-term imprisonment or deported [Katus, Puur and Põldma 2002]. Across population groups, particularly hard-hit were upper and middle strata, for example, the risk of parents with university education being repressed exceeded 50 percent. Compared disruptive effect of societal discontinuity the effect of rising parental divorce rates has proven at least twice weaker. As an experience accumulated in the family of origin, the effects have not been limited to childhood but have repercussed in the following life stages. Against that background, it should be noted that retrospective data account only partly for situations where entire families were repressed — for example, in the largest deportation in 1949 women and children constituted three fourths of the deportees [Rahi 1998].

Major changes occurred also in the field of civil registration which had developed into relatively advanced system in the interwar period. The new authorities — under the NKVD supervision — ordered the cancellation of family register. The official decree to abolish the register was issued just weeks before the mass deportation in March 1949. The same experience was shared by national statistical system which was dismantled and replaced by subordinate branch, charged with the implementation of instructions from authorities outside the country [Katus and Puur 2003].

2.3. Responses to growing diversity of family forms

In the mid-1950s, the cessation of political repressions marked a significant decrease in the intervention of state authorities into private life and brought relief to the population. In other words, external influences decreased in importance and relevant legalislation assumed its regulatory role in the realm of marriage and family. Although the general concept of family legislation was unchanged until the end of the 1980s, some modifications in the regulation deserve attention.

In 1944, with the return of Red Army to Estonia, severe restrictions were imposed on divorce, requiring a prolonged two-stage legal proceeding, payment of disproportionately high fees, and also, a mandatory announcement of divorce in local newspaper. In fact, these measures suspended the no-fault divorce and attempted to

[1] Lists of victims of have been compiled for political arrests and mass deportations [Salo 1993; Sabbo 1996; Õispuu 1996-2001]. Population losses have been addressed also for some counties [Kotkas 1999; Nurk 1999; Piir 1991-1997; Sissas 1990-2002] and professional groups, e.g. medical doctors [Merila-Lattik 2000].

consolidate the life-long marriage characteristic to traditional pattern of population reproduction.

In the 1960s, family legislation was liberalised. In 1965, the previous restrictions on divorce were abolished and less complicated legal procedure established. The change in proceedings resulted in a marked rise of divorce rate in the following year, reflecting the dissolution of marriages which had occurred but remained unregistered due to a strict procedure. After the upsurge of divorce rate, however, the increasing trend was continued over the next 15 years, stabilising in the 1980s. In comparative perspective, Estonia belongs to the group of countries which have featured the highest frequency of divorce in Europe [CoE 2003]. Understandably, the rise in divorce has increased the prevalence of single-parent (mostly female-headed) families.

Regarding family formation, the traditional pattern — direct marriage where the start of partnership closely and formal registration closely coincide — began to decline and was gradually replaced by cohabitation. Although known earlier, a steady increase in the prevalence of cohabitation took start in the 1960s [Katus, Puur and Põldma 2002]. The trends was carried by the birth cohorts of 1940s and later. In the birth cohorts of the 1950s cohabitation became the main route of family formation with more than half of first unions started as cohabitation. Among the cohorts born in the second half of the 1960s, who started family formation in the last decade of state socialism, the proportion of direct marriage had dropped to the level below 20 per cent, with further decline to follow. In comparative terms, the family formation among native population in Estonia resembled closely the developments in the Nordic countries, being rather different from the Central and Eastern Europe, and the Soviet Union [Granström 1997; Nikander 1998; Noack and Ostby 1996].

At the same time, there were no corresponding amendments in Marriage and Family Code [ÜPT 1969]. In this way, the biggest transformation in the realm of the family concerned the area where the legal procedures remained unchanged. Perhaps the only provision, which took into consideration the emerging change, was the introduction of joint declaration of parents in birth registration. The joint declaration provided an option (previously non-existent) for non-married parents to register their son/daughter as a common child, beyond the procedure of adoption. The Code ignored consensual union as any other type of family relationship apart from registered marriage which was consistent with the stage of population in most other parts of the USSR.

It has been hypothesised, however, that the neglect of consensual union still had an effect on the pattern of family formation — through housing policy [Katus, Puur and Põldma 2002]. Under the state socialism dwellings were distributed by the authorities based on certain criteria. With respect to couples, being in registered marriage was one of them. Moreover, since the birth of a child increased the number of family members per floor space, other things being equal, it also positively contributed to chances for qualifying for a new dwelling. Pragmatic considerations could explain the relatively early conversion of consensual unions into registered marriage and early entry into parenthood, compared to Northern and Western Europe. Also, the same mechanism contributed to very high divorce rates.

2.4. Family regulations and behaviour during the 1990s

In the 1990s, the statehood was reconstituted and the whole legal system renewed in Estonia[2]. In 1995, the new Family Law was enacted [RT 1994, no.75]. In its basic concepts and the scope of regulations, however, the new law bears substantial resemblance to its predecessor, the 1969 Marriage and Family Code. First, only the traditional form of family, registered marriage, has been considered. Second, family is regarded overwhelmingly as an economic unit. Among few new elements, the 1995 law introduced a marital contract as a basis of property relations, supplementary to the statutory joint property regime. From the legal point of view, the contract offers protective mechanisms to cover the situations where one of the spouses runs into economic hardship [Kullerkupp 2001]. There are also some amendments. For example, minimum age for marriage of minors was lowered from 16 to 15 years, under written consent of their parents.

As discussed in the previous section, the traditional pattern of family formation disappeared and was replaced with a new model already during the previous decades. The 1990s added the sharp postponement of marriage. Mean age at first marriage increased for more than three years and the upward trend is still well in progress. On average, in 2002 males entered first marriage at the age of 28.2 years and females at the age of 25.5 years. As a result, the total first marriage rate fell to the level 0.35 which is one of the lowest in Europe [CoE 2003]. The timing of divorce has undergone lesser transformation. It should be noted that the change in registration procedure of divorce — now upon court decision immediately, no longer upon the application by one of the spouses at some later stage — introduced the discontinuity in time series. In particular, this resulted in the excess of the number of registered divorces over marriages in 1995.

In Northern and Western Europe, the two recent decades have signaled a new phase of family legislation with respect to unmarried (heterosexual) cohabitation [Bradley 2001]. Against that background, the present Estonian law does not attach any explicit legal consequences to unions other than registered marriage. In these circumstances, cohabiting partners can apply the private law in making appropriate legal arrangements to obtain common rights, inherit property etc. The concept of unmarried cohabitation is also applied in some laws regulating economic and social domain[3]. Although the private law provisions allow for noticeable flexibility, wide spread of cohabitation makes it reasonable to consider steps towards more statutory regulation to safeguard the rights of individuals who have opted for cohabitation. Of course, the statutory regime for consensual unions can hardly be completely identical to that for registered marriages.

3. CHILDREN AND FERTILITY

Although policies aimed at fertility have been introduced mainly in the 20th century, with the exception of France, children have been, in one way or another, a subject to

[2] All major Estonian legal acts are available on the web page *http: www.legaltext.ee*.

[3] Unmarried cohabitation is considered in bancruptcy law [RT 2001, no.93], in the law of credit institutions [RT 2002, no.23], the law of finacial inspectorate [RT 2001, no.48]. Also, consensual unions are considered in the payment of income support benefits (Kama and Kulluerkupp 2002).

policy formulation for long time. In modern society these two perspectives have merged together and it is easy to overlook the different origin of policies in this realm. Like other nations, Estonia shares the experience of convergence of child related and fertility related policies, however, along rather different paths.

In the following, the development of policies with respect to children and fertility in Estonia has been divided into five stages. The first stage represents the years of nation-building, following the War of Independence, with the effort to secure the living standards of children. The second stage outlines the societal response to the decline of fertility below replacement. The third stage covers the period of sovetisation, and the fourth is characterised by a new interest towards fertility related policies in the 1980s. The fifth stage addresses child and fertility related policies in the period of societal and economic transition.

3.1. Integrated welfare policies for children

Estonia inherited a mixture of regulations from the law systems of Russia and Germany, and particularly from the special Baltic order, granted by Peter I. Compared to West and North European countries of the time, child related policies corresponded to traditional society in Russian Empire. On one hand, Estonia was affected by approximately half a century time difference in demographic development compared to rest of the Empire, where the needs for child related policies had not yet emerged. On the other hand, the ruling class in Estonia under the Russian Empire stick to the Baltic order and tried to avoid whatever changes, regarded as undermining the stability of standing-based society.

Given the historical background and the hardship of the wars 1914-1920, Estonia started to develop its child related policies from the scratch. The activities in main directions of child related policies — improvement of social protection, health, education and living conditions of children — proved comprehensive and far-sighted. It should be noted that new policies were closely coordinated across various directions. In modern wording, an integrated approach was applied to develop child welfare policies. Among others, the joint Ministry for social affairs and education in the early 1920s supported the idea of the integrated approach.

Children formed a target group of its own in the policies to secure living standard and social cohesion. The primary responsibility for living standard stayed with municipalities which operated the schemes of continuous as well as occasional support. Also, the development of network of institutions for children was started. In addition, considerable part of service was provided by various voluntary organisations. The state supported the activities of municipalities and voluntary organisations on regular basis, covering more than half of the costs from the budget. The principles of social protection of children were summarised in the Social Welfare Law [RT 1925, no.120/121].

Education was given a very high priority in Estonia in the period inter-war independence, with the main target group being understandably children. Already in 1917 *Maanõukogu* decided to switch to Estonian language on primary, secondary as well as vocational and university levels. In 1920, a comprehensive reform integrated

various types of schools into a unified national education system. Primary education of six classes became compulsory and free of charge. To meet the demand for teachers, pedagogical seminars were opened at several locations, in addition to Tartu university. Among others, substantial investment in education was reflected in the number of new schoolhouses built in the 1920-1930s [Riigikantselei 1935].

The development of national health care system foresaw special services for children. The country was covered by the network of consultation centres for mothers and children, under the coordination of the Department of Health. Services were provided by doctors and other medical personnel, free of charge for mothers and children up to 7 years of age. In case of need, service was extended to home visits. Voluntary organisation *Eesti Lastekaitse* (Estonian Child Welfare) was established, providing various services for children. The main principles of national health service were summarised, among others, in Public Health Promotion Law [RT 1928].

The needs of children were also considered in housing policy, aimed to secure the standards of dwelling, rents, sanitary norms etc. Reflecting the variation in housing conditions across the country, and the implementation of the measures was given to municipalities. The population census of 1922 was included a module on housing conditions which provided comprehensive data for policy-making [RSKB 1923-1925]. The next census revealed that the progress achieved in the housing conditions was more than impressive [RSKB 1934-1937].

Integrated welfare policies for children, apart from many European countries, were instituted over a relatively short period of time in Estonia in the 1920s. These efforts allowed the country to overcome the contradiction between the stage of population development and the state of social policies inherited from the Russian Empire. By the end of the 1930s, despite financial and time constrains, Estonia had reached advanced standards in the field.

3.2. The onset of fertility related policies

The policies specifically aimed to influence fertility — the levels, parity distribution, timing or other aspects of the process — is a invention of the 20th century. The response of society emerged as a reaction to very low levels of fertility which followed the long-term fertility decline during the demographic transition and was experienced for the first time ever. The emergence of below replacement fertility which indicates, among others, the universal spread of family planning across the entire population, called fertility related policies into being in a number of European countries.

Estonia reached underreplacement fertility in the middle of the 1920s, marking the beginning of a new era in fertility development [Katus 1997]. During that period, however, there was very limited experience of fertility related policies in Europe, and no relevant experience in the countries neighbouring to Estonia. To analyse the introduction of fertility related policies — a principally new element of population policies — some contextual issues should be taken into account. Regarding Europe, one should recall the economic crises which, probably, postponed the societal response to demographic development. In Estonia, a similar effect from political turbulence surrounding the enforcement of new constitution and the change of regime (1934) could

be assumed. On another hand, established statistical system provided accurate and up-to-date account of population, and informed about the emerging situation. Among others, the data revealed that for the first time in normal conditions, the depopulation occurred[4].

Low fertility formed the main agenda at the conference of national development (*Eesti Rahvusliku Kasvatuse Kongress*) in 1935. The conference brought together the viewpoints of major actors of society — experts, politicians, high level administrators, representatives of church, fine arts. The president of the country shared the concerns and stressed the need for societal response. The conference adopted several resolutions which laid the basis for government policies in the field of fertility [Madisson 1935]. Among others, child allowances were introduced. The allowance was differentiated by the level of income, place of residence, and provided to each child up to 18 years of age and covered the families of central and local government employees, workers in state enterprises, and military personnel [RT 1935, no.87; 1936, no.93]. Also, birth allowance was introduced, and medical service related to childbirth was provided free of charge.

Following the recommendations of the conference, the Commission of Population and Welfare was instituted, charged with responsibilities for the initiation and formulation of laws related to children and fertility. Also, upon the proposal of the Commission a chair of eugenics was established in Tartu university. The chair was given the task of monitoring major demographic processes (fertility, nuptiality and mortality), and analysing the reasons of low fertility and increase of the population.

It is interesting to note that in the late of 1930s fertility started to increase in Estonia. Upon the available data, in 1942 the period fertility reached the highest level during the forty years period of 1928-1968 in Estonia. The fertility increase in Estonia, most probably, was not so much the result of introduced policies, although the latter could have supportive effect. Recent analyses have shown that in the end of the 1930s upward movement of fertility was characteristic to several European nations at similar stage of demographic development [Calot *et al* 1998; Lundström 1999].

In Estonia the societal response to under-replacement fertility could be regarded as rather energetic, including vivid discussion as well as policy formulation. Most importantly, the new demographic situation and related needs became the subject of public debate, involving large number of government institutions, civil society organisations, and people. By and large, the views of government and people coincided, and the population issues became a factor consolidating the nation.

3.3. Abolition of fertility related policies

Population policies, and fertility related policies among them, loose significance in the periods of war and crisis. In Estonia, this outcome was strengthened by the succession of three occupations, lasting almost fifty years. Quite expectedly, together with Estonian statehood the geopolitical change wiped out child and fertility related policies

[4] In 1929, the negative population growth (-1068) was observed in Estonia.

developed in the 1920-1930s. From 1940 until Stalin's death war and repressions outweighed any policy influence on children and fertility in Estonia, as already discussed in the previous section.

As regards to social policies, the regulations of the Soviet Union were enforced, based on a unified model. In the field of children and fertility, two sets of measures should be discussed. First, induced abortion became strictly prohibited in Estonia. Proceeding from the concept of large family, in 1944 special awards were instituted for mothers with large number of children. Women with 10 or more children were awarded the order of "Mother-Heroine", mothers of 7-9 children and mothers with 5-6 children were awarded respectively the order of "Mothers Glory" and medals [ÜPT 1945, no.4]. The ban on abortion was lifted in 1955, a few years after Stalin's death, however, the orders and medals to mothers survived until 1991. Also, limited financial support was introduced for large families, families with low incomes and single mothers but there was no fertility related policies up to 1982.

Against the background of low profile of child and fertility related policies during almost four decades, it is interesting to examine the fertility trend in Estonia for the same period. Among the countries with comparable timing of demographic development, Estonia (as well as Latvia, but to a lesser extent) was the only country which did not experience the postwar baby-boom. It is important to note that most, if not all other characteristics of baby-boom — among others, the increase in marriage, rejuvenation of marriage and fertility, decrease in childlessness etc — were manifested in Estonia, except for the increase in fertility [Katus 2003]. In Estonia, fertility remained below replacement, being the lowest in the world in the 1950s.

In the end of the 1960s, however, — in parallel with the increase in divorce rate, spread of cohabitation and childbearing out of wedlock, rising levels of female education and workforce participation — fertility increased noticeably without introducing any new policy measures. Over a relatively short period of three-four years period fertility increased by nearly one fifth, and after being under replacement for forty years, fertility returned close to replacement level and stayed there until the end of the 1980s.

During the period under discussion a major shift in population took place which has long-term implications and needs to be considered also in the future. Large-scale immigration and the formation of foreign origin population introduced a duality of fertility patterns in Estonia. In the realm of family formation, fertility, abortion and other reproduction related processes two major sub-populations — native and foreign origin — did differ not only with respect to the levels but also in terms of the direction of the trends. From the analytical point of view both sub-populations should be treated separately as the patterns for the total population represent a mechanical average of two rather different behaviours [UNECE 2000].

3.4. New turn of fertility related policies

The short period 1982-1988 is singled out from the postwar decades because of principal change in child and fertility related policies in the Soviet Union, including Estonia. In the 1970s, the Russian Federation and other core republics entered the stage

of below replacement fertility. Step by step, the interest towards population development *per se*, i.e. as a separate domain of social policies began to emerge. The outcome was a new approach in the Soviet context which was enforced in 1982 [ÜPT 1981, no.22]. In addition to the improvement of welfare of children and families (traditional component in Soviet policy) fertility increase was emphasised as a distinct goal. Among others, the new regulation shifted the focus from large to "average" families.

According to new regulations child care leave was extended to 18 months, from which the first twelve months with partial salary. To underline the novelty of this measure, it must be remembered that participation in the labor force was compulsory for adult men as well as women in the Soviet Union (no more than 3 weeks employment interruption was legal). Granting mothers 18 months for childcare was indeed a generous provision, quite different from the policies which aimed at mobilising all women in the labour force. At the same time, birth allowance was extended to all births, including the first parity. Improvement of reproductive health services was targeted as well, however, the access to modern contraceptives remained still poor.

Housing policy was another important instrument in the attempts to influence fertility. Controlling the distribution of new apartments, the state took several steps to improve the housing conditions for young families with children. According to the regulations, newly married couples (up to age 30) were eligible to separate room, and a flat, if a child was born in three first years of marriage. Also, young families were given a priority in joining the housing cooperatives. In short, the Soviet practice to privilege certain population groups by means of housing was extended to young families for the first time.

Against the background of new policies, fertility development in the 1980s deserves attention. In Estonia, fertility of the native population witnessed a slight downward trend. Foreign origin population, however, experienced an increase in fertility, and towards the end of the decade caught up with native population, bringing the difference — observed since the late 1960s — to an end. Convergence of fertility levels between the two sub-populations resulted in the rise of fertility to the highest level over past seven-eight decades in Estonia [Katus, Puur and Põldma 2002]. The possible connection between the introduced measures and fertility increase among Slav population still remains hypothetical, however, much more likely is the impact of policies on fertility timing. There was no shift towards the ageing of fertility like in other countries of similar population development.

In the Estonian context the turn in child and fertility related policies in 1982 could be regarded as a repetition of the innovation of the 1930s. The rationale behind the introduction of new policies was similar — on both occasions the society sought for response to underreplacement fertility. Interestingly enough, the distance between the two beginnings follows closely the four-five decades time lag in demographic development between Estonia and Russia. Comparing the two beginnings, the first one was accompanied by wide public discussion and consolidation of views. Also, in relative terms child allowances introduced in the 1930s exceeded those in 1980s, however, not all population groups were covered by the scheme. Further, population information and research played rather different role: apart from the thirties there were

strong restrictions in the access to population data in Soviet Union, maintained until the late eighties [Veskimägi 1996]. In Estonia, there was no population science as a separate scholarly discipline.

3.5. Shift of orientation from family to individual

The concern about low fertility, depopulation and large-scale immigration etc became a debated issue in the struggle for independence in Estonia starting in 1987-1988. Among others, Lennart Meri expressed these concerned in his programmatic speech at the assembly of intellectuals [LP 1988]. The concern for the future of the nation under the continued Soviet occupation was well founded and widely shared, however, the knowledge-base in population field, including the comprehension of demographic information was rather poor — an outcome of prolonged restrictions on data availability. Emotional approach to population issues was prevailing in that period, and frequently unrealistic aims were outspoken. These aims were summarised in popular song calling "to fill the country with children".

A series of laws and regulations were initiated starting from 1987 which proposed various measures to "improve demographic situation". The last one in this series was the law on child allowances, enforced already after the independence in 1992 [RT 1992, no.6]. Taking into account the predominance of emotional rather than methodological and/or knowledge basis, it is not surprising to find that policy measures introduced in the late eighties and early nineties were conceptually an extension to those applied in the Soviet Union in 1982. Among others, several types of cash allowances were defined in absolute terms, without foreseeing the procedures of indexation. Also, the measures under different ministries were fragmented, sometimes even contradicting to each other.

The transition to democratic society and market economy, among others, invalidated most of the instruments of child and fertility related policies, described above. For example, emerging housing market together with the collapse of state-run construction of apartments abolished one of the key instruments to influence the living conditions of young families. Also, the right to stay at home and take care of a child — extended to 3 years in 1989 — lost its meaning when compulsory workforce participation was replaced by labour market. Under emerging unemployment, long periods out of work ceased to be a privilege but involved difficulties at re-integration to the labour force [Puur 2000]. Following the currency reform in 1992 the schemes of social benefits were reconsidered, with low priority given to family and child allowances.

Thus, rather paradoxically, one of the central concerns of the independence movement — low fertility and depopulation — lost nearly all of its previous attention in the 1990s. What was left was the post of Minister of Population Affairs in the government, and the equal access to social protection among native and immigrant population, regardless of citizenship. With respect to the latter, social policies in Estonia are more generous than commonly practiced in EU countries. In the second half of the 1990s, an explicit discord between the public and policy-makers started to develop with respect to population issues. On one hand, sharp fertility decline and intensive depopulation, poor integration of immigrants, controversial developments in population health etc formed a platform for the increase of public concern. On the other hand, the recognition of

difficulties in achieving the results — particularly over a short term perspective, including the cycle of elections — made many politicians and even some parties *in corpore* cautious about taking any initiatives in the field of population. In public, such attitude was regarded as the deficit of statesmanship.

In the recent parliamentary elections (2003), politicians choose to respond to negative develoments in population field and growing public concern. All leading political parties addressed population issues, particularly low fertility, in their campaigns. After the elections, somewhat surprisingly, the coalition government reserved the position of the Minister for Population Affairs to the Reform Party, which during the 1990s had neglected population related policies. The office of the Minister was staffed by enthusiastic youth affiliated to the same party, who singled out "mother's salary" and promoted it with noticeable PR-campaign. Among others, the Minister informed the European Population Forum about the programme to reach the replacement fertility in Estonia [MB 2004].

The new policy put much on one card — enforced in January 2004, it introduced the payment a full salary during the first year following childbirth. The public critisism derived mainly from the large differences in the amount of benefits paid, for example, to non-employed or student mothers (minimum salary) and highly remunerated employees (up to three average salaries). At expert level, it was pointed out that the introduced measure does not fit into the existing system of social allowances, and that it increases the already high income inequality. Indeed this was for the first time in Estonia when some measures in the field of child and fertility related policies are met with excessive criticism from the population.

4. POPULATION AGEING AND ELDERLY

In this section, responses to demographic ageing are viewed mainly from the viewpoint of pension system and elderly care. Usually, the development of pension system is closely connected with societal regime. In Estonia, three main stages in the development of pension system include the period of independence, occupation and regained independence.

4.1. Institution of pension system

In the 1920s, Estonia started to develop its pension system essentially from scratch. In the Russian Empire limited categories of population, covering part of government employees and war invalids had been entitled to pensions, however, these entitlements should be regarded as an exception rather than a system. Even for these categories the successor the Russian Empire denied the responsibility for the payment of pensions but also pension capitals had been lost.

The pension system established in the early 1920s covered central and local government employees, teachers, workers in state enterprises, war invalids and military personnel, together with family members [RT 1920, no.77/78; 1924, no.123/124; 1926, no.23]. The scheme foresaw the payment of old-age, disability and survivors' pensions.

According to general rules, the persons of 60 years of age, both men and women, with 25 years' service were entitled to full old-age pension [Buldas 1934]. Pension expenditures were covered from the pension fund, which received allocations from state budget (ca 3/4 of inputs) as well employers' and employees' contributions (ca 1/4). Also, the government assumed responsibility for the payment of benefits those who had been entitled to pensions under the laws of the Russian Empire.
As the system matured, it witnessed a rapid growth in the number of benefit recipients. Apart from the modern pattern, men constituted almost 90 per cent of pensioners in that period [Tuisk 1931; Lepp 1936]. Another tendency was the increase in the proportion of old-age pensioners and the decrease in recipients of disability and survivors' pensions who at the outset constituted the overwhelming majority of pensioners. The new Pension Law was passed in 1936 [RT 1936, no.76], and following the socio-economic development, the system was further improved. In 1939, for example, the coverage of old-age and disability pensions was extended to all industrial workers in private enterprises with 6 or more workers. According to the law, employers in medium and big enterprises were obliged to provide workers, who had reached age 65 and were not able to support themselves, a monthly old-age allowance.

The issue of public relief, including the care for the elderly was addressed by the Social Welfare Law passed in 1925 [RT 1925, no.120/121]. The law grounded on family members' mutual responsibility and described in essence a social policy with assistance provided on the basis of tested means. Regarding the elderly, every man and woman aged sixty or over in distress was entitled to assistance. The primary responsibility for the care of persons who could not manage by themselves and lacked the support of family/kin, was assigned to municipalities which had performed this function already since the 19th century. Apart from that, it is necessary to underline the important contribution made by various voluntary organisations and church [Pullerits 1927]. The development of social welfare was further influenced by the beginning of social work education.

Generally the assistance was aimed at enhancing self-support, and respectively, considerable attention was paid to the development of open care. In the 1930s, the total number of persons receiving assistance under public relief amounted to 5 per cent of the population, of that overall number approximately four fifths were assisted in the form of in kind support [Tuisk 1937]. The network of institutional care units included institutions for the elderly and disabled, institutions for war invalids, residential homes for elderly and temporary asylums. The most widespread type of institutions were welfare accomodations. Such dwellings, in essence former poorhouses of municipalities, were accompanied by a plot of land which was used by the residents.

4.2. Contradictory developments in pension system

The annexation of Estonia into the Soviet Union brought the existing pension and social welfare system to an end. A majority of beneficiaries under the former scheme were denied their pension rights, moreover the government service in the Republic of Estonia was criminalised [RKN 1945]. The discontinuity resulted in the decrease in the number of pensioners, the amounts dropped noticeably and often awarded pensions were below subsistence level.

In 1956, the Soviet Union enforced a Pension Act which thoroughly revised the existing system, increasing substantially the level of benefits and improving the economic situation of the elderly. Still, the new pension scheme was neither universal nor uniform [Porket 1979]. The scheme was restricted to working population who had accumulated the required employment record. To be eligible to full old-age pension, males were required to be 60 years of age and have an employment record of 25 years while for females the age limit was 55 years. The scheme did not apply to collective farmers who, with their dependants, constituted about one third of the population. It was only in 1965 that a state pension was extended to collective farmers, and it took until the 1970s until the two schemes were merged with respect to eligibility rules[5].

The eligibility criteria kept the number of old-age pensioners initially rather low, as several economic activities were considered non-productive or even "counter-revolutionary" and consequently a large part of older population was left without employment record. Around 1960, for example, beneficiaries accounted for one third of the population in retirement age. The proportion grew persistently, and by 1970, pension had become the single most important source of livelihood for both males and females above age 60. In the 1980s, a broad coverage characteristic to universal schemes was achieved. It should be noted, however, that the driving force behind this trend was not the increase in the generosity of pension scheme but the cohort flow which gradually shrank the groups of older persons not entitled to pensions and replaced them with younger generations. The latter had experienced high workforce participation during lifetime met the compulsory service requirement [Puur 2000].

Another characteristic feature of the pension scheme enforced in Estonia relates to pension formula. The formula was redistributive from higher-income to low-income earners and the system was aimed towards avoiding poverty and providing minimum protection rather than securing the replacement of labour income. Considering the weak link between the contribution and individual benefit, one could also assume a relatively limited differentiation, however, in reality, there was much less equity than one would expect. To this end it is interesting to note that among the CEE countries, the Soviet Union featured relatively high degree of income inequality already prior to economic transition [Atkinson and Micklewright 1992].

This paradox stems mainly from the lack of indexation which reflected the false-assumption of zero-inflation in centrally planned economies [Schmähl and Horstmann 2003]. The lack of adjustments resulted in remarkable differences across the groups of pensioners — the longer a person had been retired, the lower their pension in relative terms. To a certain extent workers attempted to compensate for this by inflating their reference wage during the last year of employment. This was achieved by various means ranging from multiple jobholding to changing to better rewarded jobs. The results published elsewhere indicate that these efforts were to some extent successful as the replacement rate of average pension to gross wage increased for nearly 10 percentage points in the 1970s and 1980s [Põldma 2000].

[5] Originally,under the 1964 Act, the retirement age was set at 65 for male collective farmers and 60 for female collective farmers.

The lack of regular adjustment also explains the discrepancy between statutory and actual retirement age. Apart from developed market economies, in the 1970s and particularly in the 1980s it became increasingly common to postpone the withdrawal from the labour force beyond the statutory retirement in Estonia. At the eve of transition, the median at withdrawal from workforce had reached 66.2 years for males and 62.1 years for females in Estonia, respectively 7 and 11 years after statutory retirement [Katus *et al* 2003]. Also, such tendency was supported by the authorities who sought ways to alleviate the chronic shortage of labour, characteristic to centrally planned economies. Among young olds, simultaneous receipt of labour income and old-age pension secured relatively high living standards.

As regards to social welfare, the role of municipalities and non-governmental organisations was abolished and the system became strongly centralised. All activities which lacked a parallel in the Soviet model were canceled — among others, this refers to the network welfare accommodations, system foster care in families, even the training of social workers was stopped in 1951. For older population, open care services were neglected and the institutionalisation became the sole option.

In the Soviet model residential homes for seniors and disabled had became largely medical-type establishments, however, with relatively poor service. The development of institutional care network was based on all-union standards, disregarding more advanced stage of population ageing Estonia compared to other republics. Together with the absence open care and home services this resulted in a situation where even those eligible were denied admission and long waiting-lists were commonplace. In the late 1980s among oldest-olds (85+) the proportion of institutionalised did not exceed five percent [Katus *et al* 2003]. From the viewpoint of elderly, institutionalisation involved almost complete loss of autonomy as 90 per cent of their pension was detained for the expenses of the institution and rights to apartment abolished [Bachverk and Saia 1988]. The concentration of care into large units typically meant the move to another location and loss of previous social networks. As a result, institutionalisation was highly unpopular and the bulk of the demand was spilled over to families and kin.

4.3. Crisis management and structural reform

Towards the end of the 1980s, the emerging crisis of the state socialism became clearly apparent also in the pension system. Although the nominal old-age pensions went on rising, the real value could no more keep up with the accelerating inflation. The leadership in Moscow realised that the existing system of social protection needed changes. In 1989 the new pension law was ordered, however, the situation had passed remedy.

The collapse of command economy pushed the replacement ratio of average old-age pension from 36 to 16 percent, and the situation was even more aggravated by other factors. Extreme rapid inflation (20 000 percent in 1989-1992) resulted in an almost complete loss of savings. This development hit the older population with disproportionate severity: unlike those of working age, elderly were hardly able to make up their loss. Also with respect to economic activity, the loss of employment

opportunities was largest in older age groups[6]. The third factor adversely affecting the living standard of older population, but also other groups with no labour income, was the deregulation of prices and abolition of subsidies for basic commodities and housing, implying a sharp restructuring of consumption patterns.

Work on new pension regulations was started in 1990. As the local expertise on pension system and social protection was limited, the draft of the new Soviet pension law was enforced in April 1991 [Leppik and Männik 2002]. In a few months, however, the new law proved to be invalid. As an emergency solution, in February 1992 the parliament suspended the pension law, and introduced flat-rate benefits and all old-age pensioners were paid similar amount. Reflecting the general dissatisfaction, in 1993, the flat-rate scheme was revised and some differentiation introduced according to length of service. In fact, the departure from a flat-rate benefits was very limited, and the differentiation of pensions remained very low in Estonia, except for the MPs, judges and state auditors, who have separate schemes.

The revision of 1993 was more important from another point of view. The major change introduced was the raising of the statutory retirement age by five years, to 65 for males and 60 for females respectively. The increase was scheduled was initially scheduled for the period 1994-2003, but later postponed until 2007. The increase in the age of retirement was intended to reduce the burden on the pension system, caused by sharp acceleration of demographic ageing [Katus *et al* 2003]. The latter stem from the entry of large immigrant cohorts, who had arrived in the country in the late 1940s and 1950s, into retirement age. The increase of retirement age allowed to the avert extreme poverty among older population. Compared to other vulnerable groups, for example unemployed and single-parent families, the poverty rate appears lower among older population; the oldest olds have even improved their relative incomes during the transition period [Puur 2000].

In 1998, the Parliament adopted the reform based on the three-tier pension system [RT 1998, no.87]. The first tier is based on pay-as-you-principle and aims to secure a minimum standard of living for all seniors, it is financed from the 16 per cent part of 20 percent social tax. The second tier relies on individual contributions into privately managed pension funds. Participation in the second tier is compulsory for the cohorts entering labour market, participants pay individual contributions of 2 per cent of gross wage. Individual contributions are supplemented by the state with 4 per cent of gross wage, which is re-directed from the social tax. The third tier would aim to encourage additional saving for old age, stimulated by tax deductions.

The new revision of the scheme introduced equal pensionable age of 63 years for both sexes. By now, about half of the employed has joined the second tier, and the third tier covered about one tenth of employed. Despite the successful implementation of the reform, however, the second and third tier are expected to have a significant effect on the situation of seniors after some decades when the new cohorts have had time to

[6] While the decrease in employment rate among the prime working age was limited to 5-8 percent, the proportion employed for those aged 60-64 dropped by nearly two fifths, and for those aged 65-69, only 40 per cent of the initial employment remained. As a result, actual retirement transition shifted 3-4 years towards younger age [Katus *et al* 2003].

accumulate the respective resources [Leppik and Kruuda 2003]. At the same time, the differentiation of pensions will increase as the existing wage differences translates into the amounts of benefits. This calls for greater attention to social adequacy of minimum pensions, and together with the desire to improve the situation of elderly cohorts who have retired or will retire in the next decade, will evidently strengthen the demand for tax increases.

Changes in policy orientation has occurred also in the field of social care. Among others, the primary responsibility for the provision of services has shifted from the state back to municipalities, and also, the voluntary organisations resumed their activity. The trend towards decentralisation is evident, for example, the number of institutional care facilities increased from 18 to 81 during the 1990s. From the viewpoint of seniors, this has meant smaller facilities which are often situated closer to a person's usual residence. Another important feature of these new developments has been the shift from medical-type to institutions providing wider choice of services, including open care. In 1997, the number of persons using open care services exceeded the number of institutionalised seniors [ESA 2003]. Municipalities have started to establish day-care centres, furthermore seniors can apply for residence in special apartment blocks where they can be assisted by a social worker and benefit from a range of services. On the other hand, despite positive shifts in the structure of services, the demand continues to exceed supply.

5. PUBLIC HEALTH

This section addresses the development of policies in the field of health care. Like in the domains discussed above, the decades since the early 20th century have witnessed repeated changes in the corresponding regulation, on one hand, and the transformation of mortality and morbidity patterns, on another hand. Based on the interplay between the policies and population health, the period been divided into four major stages.

5.1. Establishment of national health service

Estonia had no modern public health service to inherit from the Russian Empire which made it necessary to make a completely fresh start. Among the first institutions, the government established the health department which was given the task to develop the concept for national public health organisation. Since 1920 the department was assisted by the National Health Council — an academic advisory board which guided the reform and all issues related to hygiene, therapy, pharmacy and medical research, including jurisprudence and legislative measures [Riigikantselei 1935].

The primary responsibility for the provision of health services and administration was given to municipalities. The country was divided into health districts of 6-8 thousand inhabitants, headed by a district medical officer. They organised public health service in their district, fulfilled the duties of school physician, performed sanitary control, gave free treatment to the poor etc. Larger municipalities and counties established health boards, working in close cooperation with municipal/provincial medical officer. After

ten years of experience, the principles of the national public health organisation were codified in the Public Health Promotion Law [RT 1928].

In the framework of national organisation, the interwar period witnessed considerable progress in the number of medical personnel and facilities. By the late 1930s, the number of doctors had increased two and half times and the number of trained nurses more than sixfold. The right to have a medical practice was only given to persons who had completed the full university course, a lower sanitary personnel was also required to have the necessary professional qualifications. In terms of research, comprehensive studies on public hygiene were prepared, covering the whole country by comparable county studies [Rammul 1929-1938].

Public health policies developed in the interwar period put a major emphasis to the promotion of public hygiene. Protection of motherhood and of children was also strongly prioritised, as discussed earlier. In the field of school hygiene, annual health inspections were introduced at the beginning of each term, all sick pupils obtained free treatment. In the field of industrial hygiene, new legislation was passed concerning the conditions of work, hours of work, medical assistance in case of industrial accidents etc [Kaelas 1935]. Activities in the field of preventive care included the development of health resorts and sanatories, health promotion work was done in close cooperation between public and civil society organisations [Pullerits 1935].

In terms of financing, the system of health insurance was reorganised. At the beginning, compulsory insurance covered central and local government employees, workers in enterprises with 20 or more employees as well as their family members. In 1923, it was extended to workers in small businesses. The health insurance tax totalled four per cent of the payroll, the payment of the tax was shared equally between the employer and employee. The insurance against work injuries was covered fully by the employer. In case of sickness (and childbirth), the insured received medical treatment and pecuniary aid to compensate for lost income. The development of the system was reflected in increase of coverage: by the late 1930s the number of insured persons and their family members had passed 18 per cent of the total population [Raid 1939]. Population not covered by insurance system was expected to bear their medical expenses, but if the resources were not available, the cost was beared by municipalities.

5.2. Health crisis related to societal discontinuity

Geopolitical rearrangements accompanying the WWII introduced a different model in the organisation of health care which persisted until the 1990s. Before addressing that change, however, it is worthwhile to draw attention to the impact of societal discontinuity on population health.

The magnitude of direct health impact can be approximated by population losses imposed by the war and repressions. It has been estimated that Estonia lost about one fifth of its pre-war population [Katus 2002]. The discontinuity of population stock, however, has not yet allowed to translate these losses into mortality indicators but the related research done for other parts of the Soviet Union can give some idea about the

extent of the crisis. For Ukraine, for example, the research has revealed that in the early 1930s, male life expectancy at birth dropped to seven years [Meslé and Vallin 2003].

Regarding Estonia, the upsurge of mortality can be followed upon infant mortality rate which is often used as a general measure of societal conditions. In the immediate postwar years infant mortality increased by more than 50 per cent compared to the period of war [Katus 2000]. Also, judging upon the absolute number of recorded deaths, it can be concluded that the health crisis in Estonia culminated in 1946-1947. The peak of mortality in the afterwar years rather than during war-time was uncommon in Europe.

Aside the mortality increase, considerable health effect due to various hardship experienced in the war, prisons, labour camps and deportation can be assumed. This indirect effect was accumulated in the population and the survivors carried it along over lifetime. In public health research in Estonia this effect has not been addressed in detail yet but it can be hypothesised that the experience accumulated in the 1940s and 1950s has contributed to disfavourable mortality development in the following decades.

5.3. Shift towards centralised and cure oriented system

The health care organisation which was instituted in Estonia after the WWII originated from the context where mortality from infectious diseases and other exogenous causes was strongly prevailing. The institution of Soviet model in Estonia meant the nationalisation of all hospitals, clinics, sanatories and other health care units. Although private medical practice was formally not prohibited, high taxes and other restrictions made it soon marginal. Health care was funded from the state budget and care was declared free of charge.

Among other important changes, the new model dissolved the local organisation under which municipal/county medical officers had dealt with a broad range of issues in the field of public health and hygiene, in cooperation with local administration. In the new model, the responsibilities of the system shifted from public health to curative medicine and the operation of medical institutions. Health care was heavily hospital and specialist care oriented, and in parallel with the advancement in the methods of cure, this orientation showed a tendency to strengthen over time.

In the development of health care system priority was given to quantitative aspects such as the number of doctors, hospital beds etc. Although the war and repressions took a heavy toll — according to Merila-Lattik (2000) the number of doctors had dropped more than twice in 1939-1945 — quantitative characteristics of the health care system showed persistent growth throughout the postwar decades. The number of hospital beds, for example, reached 11.9 per thousand population which exceeded the corresponding level in most European countries. As it has turned out later, considerable part of the increase in capacity occurred in small and poorly equipped facilities. Similar to other sectors, the health care system foresaw separate hospitals and polyclinics for privileged categories.

Mortality indicators show, however, no positive contribution of the expanding health care system. In the beginning of the 1960s the growth in life expectancy ceased and the following four decades have shown no noticeable improvement in Estonia [EKDK 2004]. This phenomenon has been widely documented in the countries of Central and East Europe but, together with Latvia, the relatively early timing of demographic transition has contributed to a particularly long mortality stagnation in Estonia. Although the ultimate cause of the stagnation remains hypothetical, mortality trends leave no doubt about the failure of health care policies in improving the population health in Estonia.

5.4. Recent health care reforms

The reform of health care system started from the Health Insurance Act in 1992 [RT 1992, no.63]. According to new regulation, an earmarked health insurance tax, amounting to 13 per cent of the payroll was imposed, payable as a part of 33 per cent social tax. The health insurance funds contract medical institutions that are paid according to the services and small patient fees as co-payment. The major advantage of the introduced system was the detachment of payment from service provider, however, this introduced potentially distortive market incentives [Vask 1998]. The shift to health insurance did not imply major change in the coverage of the system. By and large, the entire population (ca 95 percent) is covered by the insurance, including foreign-origin population with no Estonian citizenship [Kiivet and Harro 2002].

Based on the principles of solidarity and limited cost-sharing, the insurance covers the cost of curative and preventive health services as well as for compensation of pharmaceuticals and technical aids, and payment of cash benefits in case of temporary work incapacity. Due to the coverage and extensive package of services provided public insurance, the market of voluntary/private health insurance is very small. Persons who are not covered with insurance are entitled to free emergency medical assistance.

The transition has witnessed a considerable restructuration of facilities. The changes in hospital sector are aimed to the quality of service by centralising acute in-patient care on one hand, and creating a system of nursing care on the other hand. Since 1990 the number of hospitals and hospital beds was reduced almost two times which makes the most rapid decrease among the CEE countries [Leppik and Kruuda 2003]. To facilitate the investment in modern equipment, the reform foresees further concentration of acute care to 13 units, and advanced treatment into 4 regional hospitals by 2015. The plan also envisages the conversion of some the current acute care hospitals into long-term care institutions.

A restructuration of primary care system replaced system of the polyclinics with family practicioners. The objective of the reform was a clearer responsibility for the patients and a shift in the balance from secondary and tertiary to primary care [WHO 2001].

Regarding health care personnel, the number of physicians has decreased by 15 per cent since 1990, with the main reduction in 1992-1993. The only expection to the general trend are dentists — about three fourth of them working in private practice —, who have increased their number by about the same proportion. The largest decrease (20 per

cent) was among nursing staff, aggravating the already distorted ratio of nursing staff and doctors [SM 2000]. While the relative number of physicians is close to European average, Estonia has only half of the qualifed nursing staff to provide adequate support for the patients and secure optimal division of responsibilities.

Against the background policy reforms, the developments in public health indicators have been controversial. In the first half of the 1990s, Estonia featured an upsurge of mortality which peaked in 1994 [Katus and Puur 1997]. Particularly extensive deterioration was experienced by males (life expectancy dropped to 61.1 years). Since the mid-1990s, mortality indicators have shown some progress reaching the previous levels characteristic to the period of mortality stagnation.

The mixture of progress and serious concerns can be observed also with respect to specific fields of public health. Over the past decade, the physical environment has become healthier, air and water pollution have decreased. Estonia has featured a noticeable decline in infant mortality, the use of modern contraceptives has increased and the number of induced abortions has been steadily falling [Tellmann *et al* 2003]. In the recent years, Estonia has witnessed rapid increase in the incidence HIV/AIDS infection, overwhelmingly among foreign-origin population, which coincides with drug abuse. The spread of the infection shows that prevention programs have failed to address the issue. Smoking has declined among adults but is increasing among school age population, also alarming is the frequency experimentation with alcohol and drugs among youth [Allaste 2000]. The eating habits of Estonians have become healthier but the new opportunities are not available for large groups of the population.

Persistently low life expectancy and concerns in public health continuously present a major challenge to health policies in Estonia. The introduction of market principles brought financing to the top agenda in health sector and created a tendency to regard all issues — investments to new technology, waiting lists for treatment, the balance between primary, secondary and tertiary care etc — from the viewpoint of funding. Regarding the future, rapid ageing of population and shrinking number taxpayers add a new challenge to the sustainability of solidarity-based health insurance. Pressures on the system also arise from the higher expectations towards the quality of medical care. Under these circumstances it takes strong commitment to secure the access to high-quality medical service for the entire population.

6. DISCUSSION AND CONCLUSIONS

The general conclusion from the presented overview leaves no hesitation that major discontinuities which have shaped the societal landscape of Estonia are explicitly manifested also in the realm of population-related policies. In all policy sectors covered in the paper, the development of policies has taken a new start three times during the 20th century — first, in the 1920-1930s when the Estonia made its way towards a modern nation, second, in the postwar decades when the country was drawn into the state-socialist venture, and third, in the years of current societal transformation. Although the circumstances and the length of periods have varied, each turning point has rendered the existing institutions and arrangements obsolete and introduced a basically new regulation.

This discontinuity and the institution of an imported model has prevented Estonia from developing a policy regime which would take an appropriate consideration of prevailing national circumstances and traditions. The neglect of the needs ensuing from population development, behavioural patterns and preferences was highlighted in the previous sections. During the past decade and a half the country has faced new challenges. In the field of social and population-related policies, Estonia has been influenced by the Scandinavian model, as referred in the well-known partition of Esping-Andersen (1990). But at the same time, there also have been some influences of Central European corporatistic model, and surely, Anglo-American liberalistic model, which to an important extent represents an antipode to the previous regime. In the decision-making circles each model has its supporters and critics, but more importantly, whatever the model preferred, the building of a welfare society is noticeably hampered by the legacy of the former regime.

The major difficulty in developing population-related and social policies stem above all from the imbalance between demographic and economic development in Estonia. From population perspective, the high proportion of older population, lowest low fertility and acute depopulation, prevalence of chronic illnesses, modern patterns of family and intergenerational relations etc imply a considerable need of resources for pensions, health care and other social expenditures. From an economic perspective, however, Estonia is experiencing the stage of primary capital accumulation. This occurs for the second time in the nation's history, but now under remarkably different demographic circumstances. Compared to the average of CEE countries, this imbalance appears more pronounced in case of Estonia — among the forerunners of demographic transition, Estonia and Latvia were the only countries left behind the Iron Curtain. As a consequence, population and social programmes will have to compete for limited resources with other urgent needs of nation-building, ranging from education to state defense.

Another essential constraint refers to the heterogeneity of the population. During four decades since the late 1940s, Estonia was a destination for mass immigration from various parts of the former Soviet Union. As elsewhere in European immigration countries, structural characteristics and behavioural patterns of immigrants and their descendants differ systematically from those of the native population, and vary across subgroups of foreign-origin population [Katus, Puur and Sakkeus 2002; Viikberg 1999]. Apart from the latter countries, persistently large flows have resulted in remarkably high proportion of immigrants which accounted for 36 per cent of the total at the eve of transition. This differs even more markedly from the prevailing situation CEE region which has only recently turned from emigration to immigration countries. In case of Estonia, the presence of disproportionately foreign origin population indeed calls for comprehensive integration programmes which are known to be costly and involve substantial public expenditure. But more importantly, low adaptation to the host society which has been inherited from the past, is manifested in virtually all kinds of social distress, including unemployment, crime, drug use and HIV/AIDS. Needless to say, due to the number of foreign origin population this adds considerable strain on corresponding social programmes.

Aside objective factors, the development of population-related policies has been complicated by the lack of expertise, particularly in the early 1990s. Similarly to a number of other areas, policy development and planning were concentrated to central authorities in Moscow, the local administration in Estonia was charged with the implementation of existing regulations. It is important that such situation was not characteristic to the majority of CEE countries which had maintained their statehood within the Eastern bloc. Re-integration into international community was accompanied by a stream of proposals flowing in from various countries, consultants and international agencies with different historical backgrounds and policy arrangements. Due to limited local expertise, the recommendations were not always critically assessed in terms of their appropriateness to circumstances prevailing in the country.

If one would compile a balance sheet on the policy development during the recent decade, both achievements and shortcomings must be noted. On the credit side, Estonia is frequently mentioned as an example of successful management of transformation. Reforms implemented in the early 1990s resulted in a rapid departure from central planning and macro-economic stabilisation. Regarding social policies, it implied the change in principles and organisation. Despite the transformation, however, the coverage of basic protection systems was not significantly reduced. Relatively active participation in the voluntary second tier of pension system provides an example of raising self-responsibility and shift to individualised risk-bearing. Positive developments can be found also in demographic and social processes, for example, the persistently falling abortion rate indicates improvements in reproductive health.
On the reverse side, the imbalance between population and economic development has set strict limitations on the resources and resulted in a residual population related and social policy. For the same reason there are no quick and easy fixes to the situation, and the principal improvement can be achieved only over a longer run, through structural reforms. The management of transformation, however, has not been smoothly followed by carefully planned reforms in all major policy sectors. An example can be provided by the field of fertility and childbearing where an emphasis has shifted to a few direct measures, at the expense of a broad range of indirect influences and long-term perspective. Even in the sectors with better record of success, for example, in pension system, the implementation of the reform plan was delayed for several years and several important issues, such as social adequacy of pensions for low-income earners, indexation mechanism in the first tier etc, are not yet properly addressed.

Long term perspective required for successful structural reforms underlines the importance of the continuity in policies, irrespective of the change of actors. In the representative democratic system, however, politicians with an eye on the next elections are forced to demonstrate short-term success and gain the sympathy of the electorate. To overcome or at least alleviate pressures to trade between short and long-term as well as national and more specific interests, successful reforms pre-requisite a consensus among political actors about the strategic goals and their implementation. Over a few recent years, the need for such consensus has been increasingly acknowledged and its scope and content have become under debate in Estonia.

In May 2004, Estonia joined the EU. This is a very important step to overcome the heritage of Teheran-Jalta deals. The direct implications of the accession on population-related and social policies should not be exaggerated. In the EU, the regulations in these

areas are left to a considerable extent to the discretion of member countries, and the minimum requirements established for benefits are defined in relative rather than absolute terms. Except for some schemes (e.g. unemployment, disability and survivors benefits), the established minimum standards are met in Estonia. Against that background, indirect implications of the EU accession may have greater importance. Among others, this involves the shift towards a paradigm according to which population related and social policies are regarded not solely as a financial burden but more importanly as an investment into human resources and welfare which is necessary for sustainable development.

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